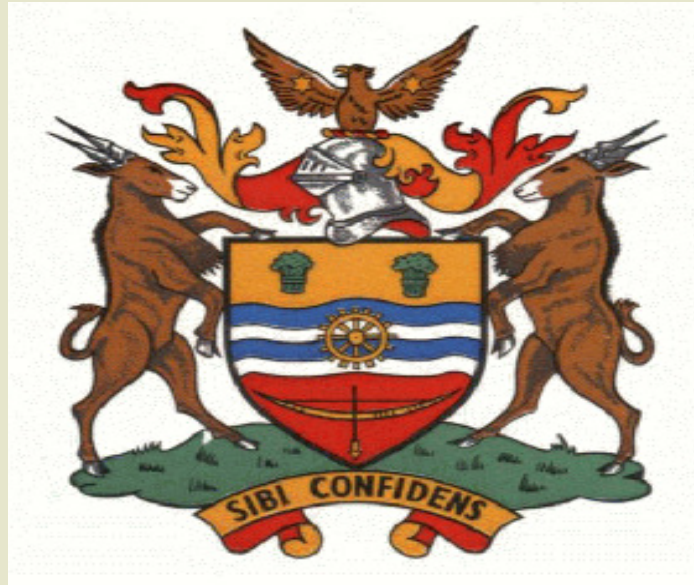
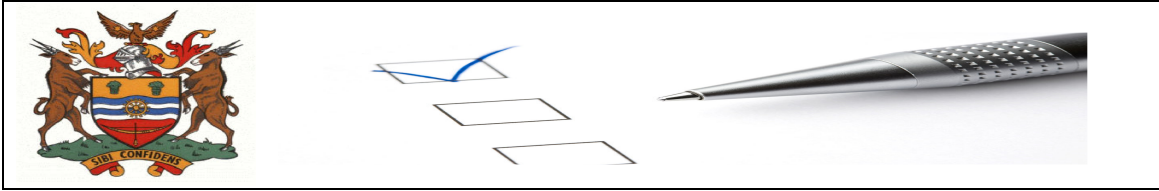


UMTSHEZI MUNICIPALITY



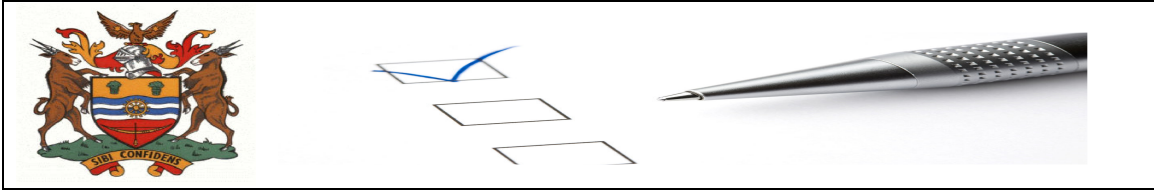
Annual Report

2006/2007



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COMPOSITION OF COUNCIL

MAYOR: Councillor ML Shelembe
DEPUTY MAYOR: Councillor MJ Ntshaba
SPEAKER: Councillor BA Dlamini

MEMBERS OF THE EXECUTIVE COMMITTEE AND COUNCIL

Cllr S Bandu	Cllr BA Dlamini
Cllr RP Gericke	Cllr MP Khanyile
Cllr SJ Magesa	Cllr SN Mchunu
Cllr LE Mhlongo	Cllr SC Mlele
Cllr NV Mtiya	Cllr PL Mvelase
Cllr MJ Ntshaba	Cllr ML Shelembe
Cllr PJ Sokhela	Cllr DM Vahed

UMTSHEZI MUNICIPALITY MANAGEMENT

Municipal Manager	Patricia Nonhlanhla Njoko
Director: Finance	Vacant
Director: Corporate Services	Vincent Bhekisisa Mbatha
Director: Social & Community Services	Siyabonga Siyanda Sabelo Manyanga
Director: Electrical Engineering	Vacant
Snr Manager: Electrical Services	Delani Khumalo

MEMBERS OF THE PORTFOLIO COMMITTEES

Infrastructure, Housing & Town Planning Committee

BA Dlamini - Chairperson
 ML Shelembe
 RP Gericke

IDP, Finance, Local Economic Development & Tourism Committee

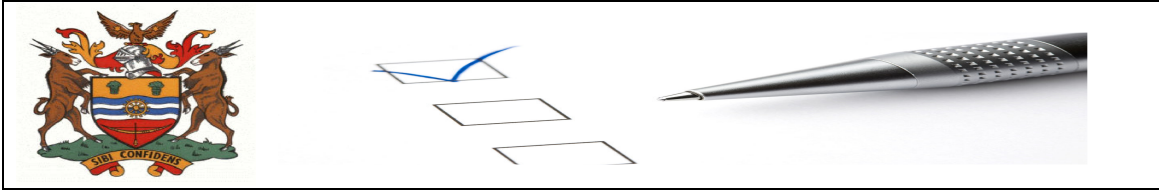
ML Shelembe - Chairperson
 MJ Ntshaba
 BA Dlamini
 RP Gericke

Sports, Gender & Vulnerable Groups Committee

SN Mchunu - Chairperson
 MP Khanyile
 SC Mlele

Human Resources, Transformation and Safety/Security Committee

MJ Ntshaba - Chairperson
 BA Dlamini
 LE Mhlongo
 PL Mvelase



MAYOR'S MESSAGE

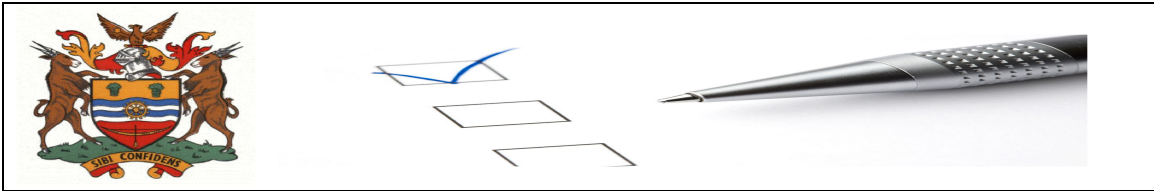
It is that time of the year where the Municipality needs to reflect back and assess the manner its business has been carried, not only in financial terms but also in what I believe in the most, namely, betterment of the lives of the people.

It is indeed an absolute fact that in the process of delivering services and bettering the lives of our people, political point scoring, perceptions and other negative factors come into play, however, our Municipality rose above. There are a number of highlights which are in our annual report which reflect to the above.

Valuable lessons have been learnt along the way. That is, it is only in the spirit of co-operative governance that we were able to address some of the challenges. Our appreciation goes to the District Municipality for their continuous support especially in areas where we had experienced limited capacity.

I will have failed in my duties if I do not commend the dedication and commitment and support from our staff starting with the newly appointed Municipal Manager who has risen to the occasion and showed a clear sense of commitment despite the challenges and who is indeed a visionary lady, her staff and most importantly, my colleagues (politicians) for their leadership in driving this Municipality forward.

**HIS WORSHIP THE MAYOR: COUNCILLOR ML SHELEMBE
UMTSHEZI MUNICIPALITY**



MESSAGE FROM THE MUNICIPAL MANAGER

On joining Umtshezi Municipality in April 2007, the Municipality had resounding successes, yet a number of challenges remain a stumbling block to effective and efficient service delivery. The 06/07 financial year saw the dawn of organisational transformation for better service delivery, a theme that led the Municipality to:

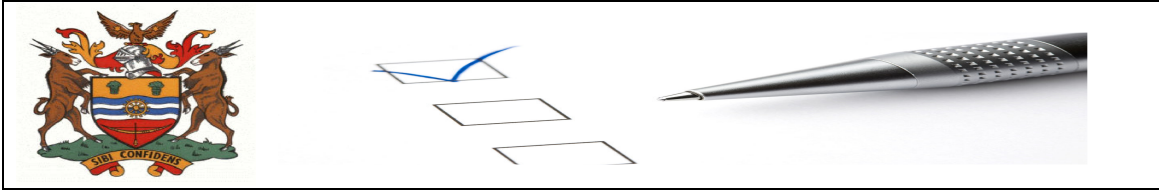
- Develop a new vision i.e. “By 2020, Umtshezi Municipality will be the champion of sustainable development and a safe environment.”
- Further to this, an explicit mission was developed.

These strategic initiatives were as a result of consultative processes that the Councillors had with the community and all relevant stakeholders including the business sector. Strategic workshops were held between management and councillors to ensure that the above vision is realised. Among successes of this participatory development within uMtshezi Municipality are:

- Organisational restructuring and development i.e. The establishment of the Town Planning section, ward committees, HIV Aids Council, Supply Chain Management Unit, etc
- Provision of capital funding for the Mimosadale Hall construction, Upgrade of uMtshezi Taxi Rank, Weenen Old Tennis fencing and upgrade
- Development and establishment of the Land Use Management Systems
- Poverty alleviation programme i.e. LED Tractors, assistance with seedlings to community organisations involved with farming, Keep Umtshezi Clean programme
- Provision of free basic services i.e. solar systems in rural areas, alternative energy/ fire gel
- The Municipality has also to refocus its development strategy by seeking to ensure that most of its finances are focused on its capital budget in order to unwind the apartheid imbalances.

Though the above has been attained the Municipality is having challenges that remains a concern, these are:

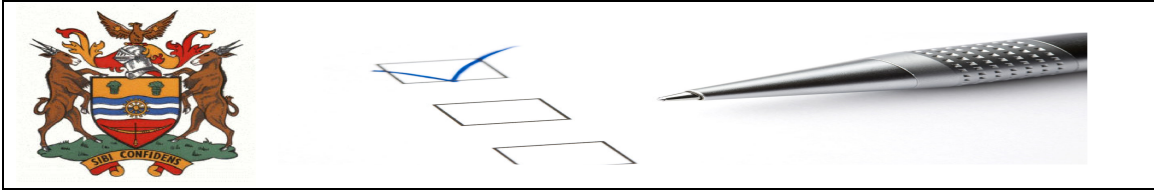
- Increasing number of debtors
- Human Resources incapacity in the Finance Department
- Lack of Fraud Prevention Plan
- Communication strategy not in place to deal with our stakeholders effectively
- More effort required to improve inter-governmental relations
- Also more effort required to improve relations with traditional bodies e.g. Traditional Leaders, Healers, etc
- Most importantly, the need to establish a sense of a ‘rainbow nation’ to all our citizens.



These challenges are receiving the management's urgent attention and with the involvement of all stakeholders in decision making, Umtshezi Municipality can realise its Vision of being a champion of sustainable development. I therefore call upon all citizens of Umtshezi, may it be business, NGO's, Community members, etc, to partake in the IDP and Budget processes in order to ensure that they are guiding the way their lives are improved.

I submit this annual report as a platform to inform the future planning of the Municipality and inviting inputs to how we can improve the Municipality's performance.

MUNICIPAL MANAGER: MS PN NJOKO
UMTSHEZI MUNICIPALITY



HUMAN RESOURCES

Introduction

This report reflect the milestones the department covered from 1 July 2006 to 30 June 2007. Budget constraints and lack of internal capacity contributed to some extent for un-realization of certain objectives we set to achieve up to this moment of the financial year. However it worth mentioning some of our achievements within this period of the financial year. The Key Performance Areas the department focussed on are the following:

- Human Resources, legal matters and administration
- Communications
- Local Economic Development and Tourism
- Integrated Development Planning
- Protection Services and
- Fire and Rescue Services

1. Human Resources

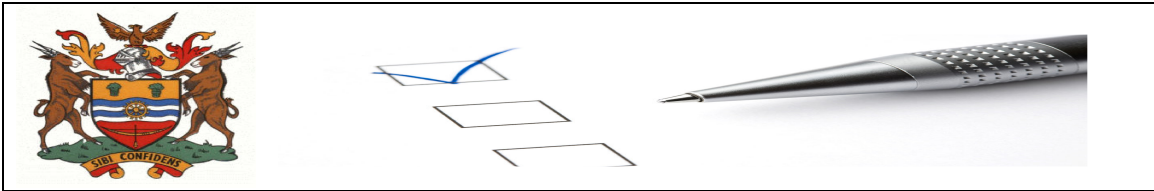
Much progress has been made in the Section and it is functioning in a more constructive manner and all institutional departments are benefiting a great deal from this important wing of the municipality more especially the introduction of Labour Relations component. It was a very productive and interesting year

Organizational Structure

To meet operational objectives to service delivery the Municipality needed to re-organize the then existing organogram to be in line with our IDP key performance areas.

- Re-alignment of staffing structure with the IDP and Budget
- Recruitments across all departments which is still an ongoing process.
- Approval of reviewed organizational structure of the Municipality by Council on 28 February 2007,
- Re-engineering of organisational structure to include new portfolios such as Planning and Economic Services into a single department called "Planning, Economic and Community Services with effect from the 2007/2008 financial year which was concurrently approved with reviewed IDP and 2007/2008 Budget on 5 June 2007 and 13 June 2007.

Find the attached copy of organogram (**annexure "B"**).



Leave Records

Overtime management is Departmentally regulated. The Basic Conditions of Employment Act should also be scrutinized in respect of Overtime (Section 10) as provisions are not adhered to. In short, employees are not permitted and employers may not require or permit an employee to work more than ten (10) hours' overtime a week (40 hours a month). Nowhere does it make provision for the first 40 hours per month to be paid and the rest to be converted to time-off as some staff members claim. This is the administrators prerogative.

No official complaints from employees have been received in respect of their overtime. BUT: "talk about their overtime due to the excessive hours or try and reduce it" then they complain. It is my opinion and observation that overtime is worked (volunteered) purely for the monetary value thereof - not necessary due to workload. Serious consideration should be given to this matter by each departmental Head should the situation continue.

Currently the administration of Leave Records are proceeding without any problems and the schedule of the Annual Leave Reserves is attached.

The Status of leave as at the end of June 2007 is as follows:

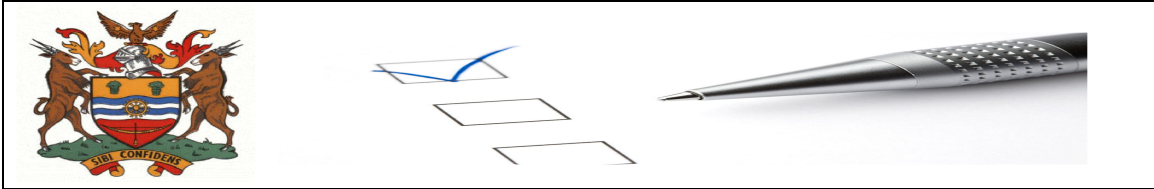
	PERMANENT STAFF	SECTION 57	CONTRACTUAL
CURRENT BALANCE	6 291	16	7
ACCRUALS	3 711	82.5	34.8
TOTAL	10 002	98.5	41.8

Total leave reserve days on 30 June 2007: 10 142.30
See attached leave balance print out "**Annexure A**".

Organization Structure and Placement

Arising from the need to restructure Local Government and the functionalities within the applicable demarcated areas, the re-organisation of existing staffing structures was eminent to meet operational objectives to service delivery.

The new structure is to be implemented from July 2007. The filling of vacancies, taking into consideration financial constraints, are proceeding well and should be concluded soon.



Thirty (30) new appointments were made in order to fill vacancies during the last financial year in order to speed up service delivery:

- ❖ 8 New appointments
- ❖ 22 Appointments from contractual staff to permanent

This department and its staff also welcome our new Municipal Manager, and wish her every success in the fulfillment of her duties as we begin the new financial year.

Job Profiles

The Basic Conditions of Employment Act, No. 75 of 1997 requires that every employer must provide an employee, in writing, with a brief description of the work for which the employee is employed.

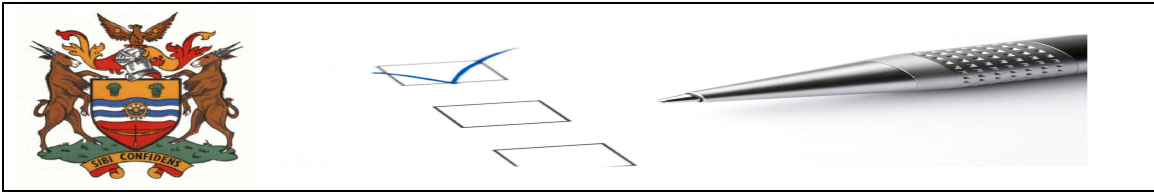
The Human Resources Section concluded the drawing up of job profiles for all posts in the Umtshezi Municipality. They were forwarded to the Regional Job Evaluation Committee of the South African Local Government Bargaining Council with a view to evaluating all the posts in accordance with the agreed Task Job Evaluation System. The National Moderation Commission notified the employer that the posts were moderated and the Final Outcomes Report was received on 14 November 2006.

The Municipality is now awaiting the final results of the wage curve alignment negotiations in order to implement same. The exercise is to convert from existing job evaluation systems to the TASK system and in so far as is possible, wages shall remain consistent with prevailing levels subject to such adjustments as are necessary to achieve rational wage structures with a minimum of anomalies due to the retention of personal to holder or contractual to holder conditions.

Employment Equity

Not much attention has been given to the employment equity structure during the last financial year and it is a challenge for the ensuing year to ensure that employment equity targets are met.

The status of the Municipality was reported (as usual) in October 2006 and the latest comment from the Department of Labour reads as follows:



“Your weighted score for each of the variables below measured against the demographics of the economically active population are as follows:

REPRESENTATION	VARIABLE SCORE	EAP
Black	-1.19	87,50%
Woman	-0.35	45,70%
People with Disabilities	-0.26	3,00% (currently proposed by DG)
African	-0.21	Africans should be at least twice the sum of Coloureds and Indians at each occupational level

On an incremental scale of unacceptable, reasonable and equitable, the organization was found to be making reasonable progress and the Department of Labour appreciates your efforts to transform your workplace to reflect the demographics of the economically active population.”

Workplace Skills Plan (WSP)

I am happy to report that the Workplace Skills Plan for the Municipality has been finalized and will be delivered to LGSETA on due date, i.e. 30 June 2007. However, the Department (HR Section) experienced a lot of difficulties from other Departments who could not provide in time the training needs of their staff up the deadline date but I hope through training they will improve cooperation.

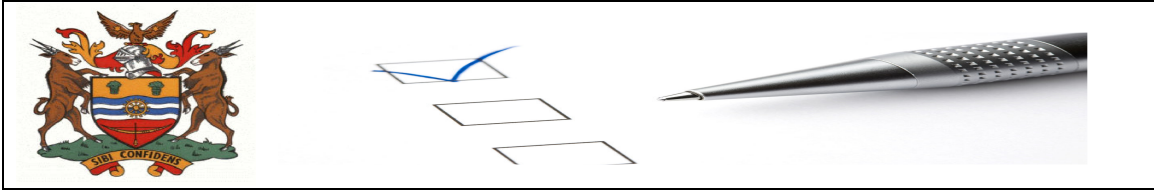
The Human Resources Officer completed the Skills Development Facilitator Course and has been assessed fully competent to perform these following tasks.

- ❖ conduct an analysis to determine outcomes of learning for skills development and other purposes (15218)
- ❖ develop an organizational training and development plan (15217)
- ❖ coordinate planned skills development interventions in an organisation (15232)
- ❖ conduct skills development administration in an organisation (15227)
- ❖ advise on the establishment and implementation of a quality management system for skills development practices in an organisation (15228)

Pension

The Clerical Assistant: Human Resources has performed this well and has finalized

updating all files in respect of the employer’s pensioners. During the last financial year 15 pension cases were resolved and the files closed.



Employment Outside Staff Structure

The employment of temporary staff outside the staff structure has been worrying this department as though it is not doing its duties of advising on legalities. If there is no money due to budgetary constraints to employ staff for existing vacant positions, alternative means should be employed so that audit queries are avoided against the institution. Any way its better now that the matter was and has been addressed during budget adjustment and in the new financial year(2007/2008).

Bursary Beneficiaries

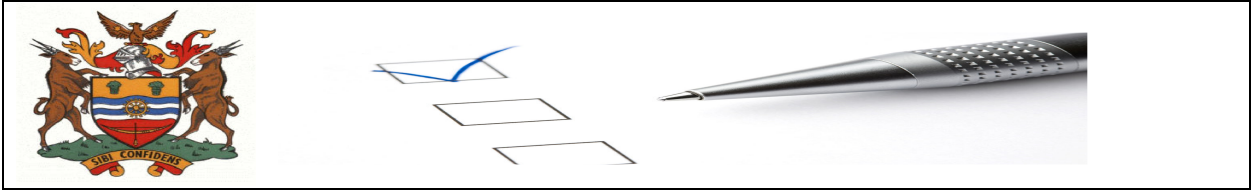
Institutional Staff: Thirteen (13)
External Bursary Holders: Six (6) at any one time per annum

EXTERNAL BURSARY PAY OUT FOR THE 06/07 FIN. YEAR

Bursary Holder	Bursary Period	Payments 01.07.06-31.12.06	Payments 01.01.07-30.06.07
Z.Z.S Makhathini	04, 05 & 07 Rsn No. 24.05.06	nil	18.01.07=R3750
G . M. Scholtz	04, 05 & 06	Nil	Item to Council-in 2007 requesting ext.
D. Ramsahaye	05, 06 & 07	11.08.06=R3750	18.01.07=R3750
M. Makuyi	06, 07 & 08	15.09.06=R3750	Year end results not received to date
N. Mpembe	06, 07 & 08	15.09.06=R3750	Failed 3 subjects-awaitng suppl.exam results
N.S. Sithole	06, 07 & 08	04.10.06=R3750	Results received-awaiting cheque

Please note that funds are paid out each semester based on results. Half yearly results could be received before 31 July 2007 in which case payment would be made within the

2007/2008 financial year making difficult to project payment.

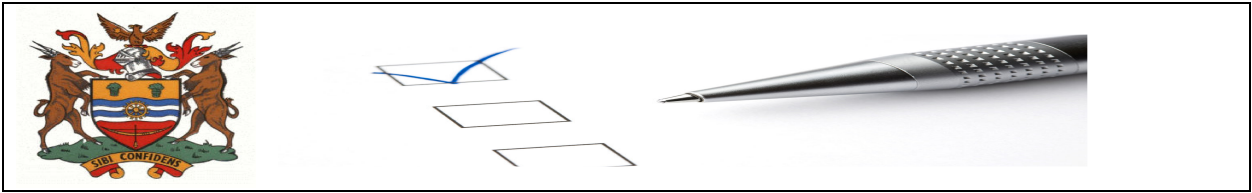


Training and Development

Various staff members attended training although training plans were not submitted to the HR Section despite requests to Departmental Directors. It is further confirmed that most of the training was “free of charge” and not paid from the budget but some post occupants their was paid for .

POSITION	TYPE OF TRAINING
Director: Corporate Services	SCM,ASGISA & Handling cases at CCMA
Director: Socio.& Comm. Services	SCM
IDP Manager	ASGISA & IDP
Senior Building Inspector	SCM & Peace Officer Law Enforcement
GIS Technician/Planner	SCM &Bringing data in ArcGIS
Clerk Grade 1: Housing	SCM
Technician(Electricity)	SCM
Finance: Assistant Director(expenditure)	SCM
Storeman	SCM
Clerk Grade1: Creditors	SCM
Clerical Assistant: Costing	SCM
Interns	SCM
Motor Licensing Clerks	e-Natis course
Firemen	Advanced Fire Prevention & Fire Safety Strategy
Mayor’s PA	Office Admin. & Secretarial skills
Executive Secretary	Office Admin. & Secretarial Course

The Municipality has also offered other staff members bursary to further their studies as part of training and development exercise (**see above on bursaries**). We have also community members who are being assisted by the Municipality which is an annual activity such as 35 youth that were nominated train for drivers licences of which 13 of them have passed their learners licences.



Secretariat

The department has made it possible that the following was done:

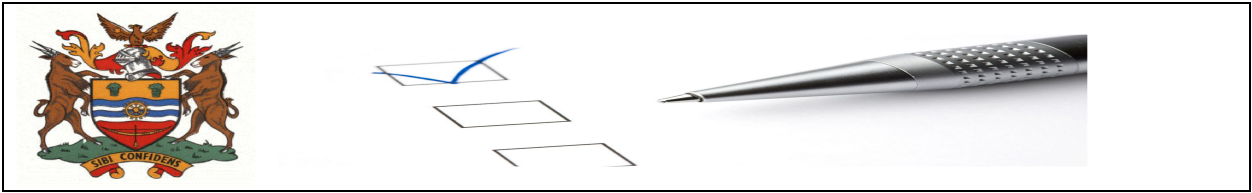
- ❖ Compiling schedule of all meetings
- ❖ Ensuring that every councillor and official comply with the schedule and no meeting is aborted during this period unreasonably.
- ❖ Establishment of Ward Committees in Ward 1(19-08-2006), 3(23-09-2006),5(16-09-2006 and 7(29-09-2006) while ward 2(19-08-2006) and 6 (19-09-2006) we only elected 50% of members in the possible 10 because of settlement set-up. Agreement was reached between the Speaker and ward 4 councillor as to how the members should be elected in his ward as it includes a portion of a rural area.
- ❖ Attending Wembezi Dispute Resolution Committee for houses meetings to reach amicable settlements between the aggrieved
- ❖ and those unofficially occupying the houses not belonging to them.
- ❖ Making sure the resolutions taken are available for perusal by respective departments
- ❖ Compilation and maintaining of resolution register

Meetings held

COMMITTEE	ORDINARY	SPECIAL
Council	11	12
EXCO	8	6
Sub-committee	2(LED)	

2. Legal Services

The basic premise upon which the Municipality has to operate in, is that it avoid at all cost any legal actions against it by pro-actively addressing potential conflict from employees and clients at large. However, this is a mammoth task to achieve hence the outstanding cases we are faced with up to now. The following cases were handled during the year in question:



- ❖ IMATU o.b.o Umtshezi Municipality at Bargaining Council level, this was about section 197 employees transferred to uThukela District Municipality when water function became their authority in terms of section 12 notices. The settlement concluded requires the municipality to pay employees benefits and long service leave benefits not later than 15 July 2007.
- ❖ Disciplinary action against two Weenen Library staff has been concluded.
- ❖ Disciplinary hearing against two Finance department cashiers was concluded however they appealed the sanction imposed, therefore it is awaiting the outcome of their appeal hearings.

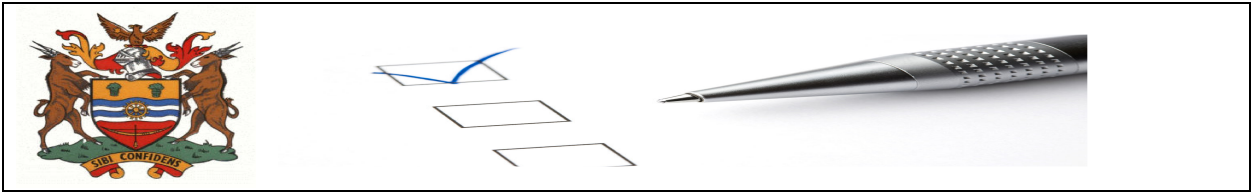
3. **The Administration**

In administrative terms, Administration entails planning, organising, coordinating and controlling of human, financial and physical resources of the organisation and this is an institutional exercise for all departments and therefore through management meetings all departments were frequently advised of making sure that staff matters and administrative issues were promptly addressed. The department has ensured that regular disciplinary actions by all departments against officials who contravene the Council's conditions of service are executed though in some instances for reasons undisclosed to this department disciplinary actions were not promptly taken against employees committing the misconduct which resulted in difficulties when later, actions were taken against the said employees.

The following was achieved:

- ❖ Appointment letters as an ongoing activity were attended and
- ❖ The registration to medical aid and pension funds for employees
- ❖ Granting of permission to requests by sporting clubs for different sporting codes and special request for erecting tents on areas where consent needs to be sought was executed as and when receiving such requests.
- ❖ Painting and refurbishing office bearers' offices, the Council Chamber and the office of the manager in the Mayor's office
- ❖ The provision of security control at Records to prevent unauthorised access to Council files.
- ❖ Organising staff meetings for up date on institutional developments
- ❖ Managing staff in the department by having bilateral meetings on matters that have impact on municipal operations and image especially when an employee has done something that could put the organisation into disrepute.
- ❖ Advising on matters where clarity is not visible.
- ❖ Organised Strategic Management workshop for management and councillors and presented a paper on organisational transformation from 10-11 May 2007 at Little Switzerland.
- ❖ Developed 12 new HR policies which were approved on the 13th June 2007 and also

developed a policy on the Establishment and Functioning of Ward Committees.



Records

Space in records was a problem due to the increasing number of files that had to be opened, however, the relocation of Administrative assistant eased the space problem as her office s forming part of records.

The following was achieved:

- ❖ Access control in Registry is in place, this was reconsidered after certain files got missing.
- ❖ New files were created due to the development of about 250 dwellings in Colita and ERF files comprising of 600 units for Mimosadale have started hopefully will be complete by the 2007/2008 financial year.
- ❖ Listing of terminated records has started as this municipality has a number of these records. Capturing of these files has commenced though access to only one computer by staff is the hindrance.

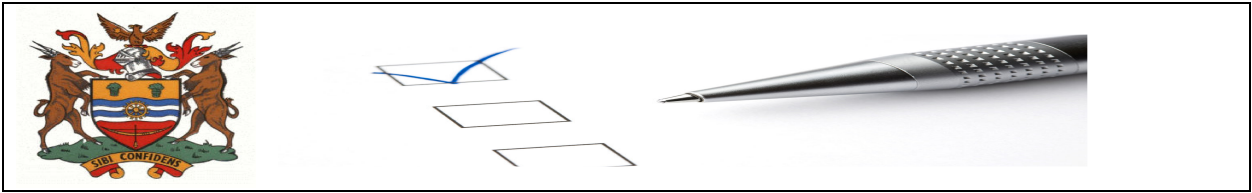
Challenges are as following:

- ❖ Keeping of files by certain departments for long periods (weeks).
- ❖ Loss of files e.g. Housing development in Rama, Chievely, Frere file as well as 31/9-4768 were book out to the relevant section and to date cannot be found.
- ❖ Lack of attendance to files as soon as they are received and returned to Records speedily.

4. COMMUNICATIONS

As a municipality we are required to have a formal communication strategy however because of lack of capacity to develop the strategy that did not happen. The following was achieved:

- ❖ The institutional communication policy was developed and approved by Council on 13 June 2007.
- ❖ Communication with our communities and stakeholders was done through having
 - articles in local newspaper,
 - newspaper adverts and notices in both English and IsiZulu,
 - radio slots for Mayor,
 - loud hailing by traffic officers and flyers throughout the municipality.



5. INTEGRATED DEVELOPMENT PLANNING

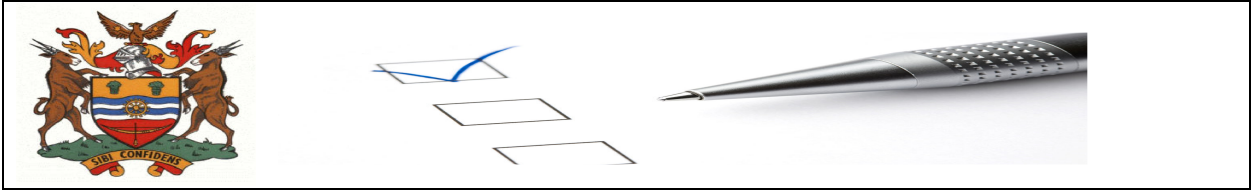
The department managed to comply with all legislative requirements in reviewing the IDP by

- ❖ Developing the Process Plan which was adopted on 21 September 2006 by Council before commencing with its activities
- ❖ Development of the Municipal Vision, Mission and developmental objectives
- ❖ Sitting of steering committee meetings i.e. 11 December 2007, 14 November 2007 and 12 January 2007, 26 January 2007 and 11 June 2007 and RF meetings on the 6th January 2007 and 12 June 2007 .
- ❖ Alignment of IDP and Budget through budget adjustment and review and in the new budget for 2007/2008 financial year.
- ❖ Development and incorporation of certain sector plans such as LED Strategy and Plan into our IDP
- ❖ Conducting Mayoral road shows as community participation programmes in agreed clusters such as Ward 5&7, 1&2 and 3,4 & 6 from 6-8 May 2
- ❖ Presentation of Municipal IDP at provincial assessment forum on 9 May 2007
- ❖ Submission in both electronic and hard copies of our IDP to DPLG and DLGTA by 30 June 2007.
- ❖ Conducted IDP workshop for councillors and officials from 15-17 November 2006.

6. LOCAL ECONOMIC DEVELOPMENT

This component has to be formally introduced in the municipality and a lot needs to be done The following was achieved:

- ❖ Developed the LED Strategy and Plan where training was held from 14-15 July 2006, 22 July 2006 and 9 October 2006 and the draft is now available and awaiting to be tabled at Council for final approval.
- ❖ The LED Manager has managed to establish CO-OPTS within the municipality even though some are not currently operational but ongoing support and advice is given to those that are operational.
- ❖ Secured funding for LED projects during adjustment budget
- ❖ Conducted LED projects analysis meeting on 8 March 2007 where Council approved the



purchase of tractors and implements to assist all agricultural activities within wards especially for subsistence farming.

- ❖ Presented the LED Strategy and Plan to members of local Chamber of Commerce on 19 June 2007.
- ❖ Have appointed a tenderer to provide two(2) tractors as resolved by Council and waiting for delivery within thirty(30) days after receipt of notification of successful bidder.

Tourism

There isn't much to be reported in this portfolio as its funding hasn't been available but the office has done the following:

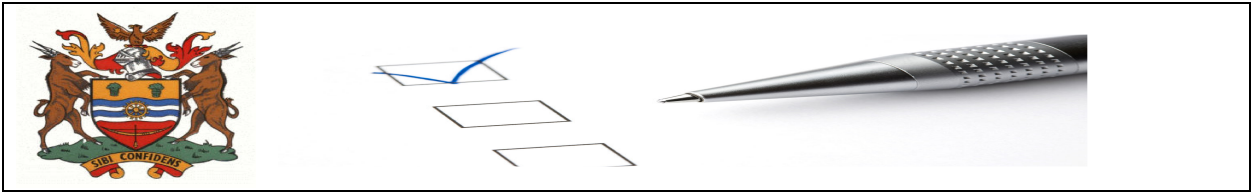
- ❖ Registration of Tourism office, museum and Caravan to Tourism KZN
- ❖ De-registration of members without licences from Bushman's River Tourist Association
- ❖ Organising meeting with US Professor Cherif Keita and Cllr Mchunu of ward 6 about the research on the history of Cornfields and Dube family in December 2006. This is done for the purpose of putting the memorial on the site.

Challenges

- ❖ To intensify stakeholder engagement
- ❖ Develop a programme for CO-OPERATIVES
- ❖ Implement strategies as reflected in the LED Strategy and Plan
- ❖ Provide funding for Tourism portfolio preferably during the adjustment budget of 2007/2008 financial year.

7. PROTECTION SERVICES

Protection Services core functions are law enforcement, vehicle registration and licencing, driver and learner tests and vehicle testing. We are governed by the National Road Traffic Act 93 of 1996. Vehicle testing must also comply with SANS 10047 and the vehicle testing facility must comply with SANS 10216. There has been a tremendous increase in the number of people who require to access the services supplied by Protection Services and Fire and Rescue Services in the municipality and is surrounding areas. Applications for driving licence tests, learner's licence tests, motor vehicle registrations, certificates of roadworthiness have increase due to the fact that all South Africans are



now presented with equal opportunities. There has also been an increase for these services from foreign nationals. Therefore the Protection Services section has had to re-define the manner in which services are provided in an attempt to minimize backlogs, long queues and the waiting periods for tests. The department have strived to increase productivity of the section to ensure that service delivery is taken as a major priority

Staff Complement

Superintendent/Manager	: vacant(as at compilation of this report)
Examiners	: 6
Traffic Officers	: 4
Clerical	: 5
Road Painters	: 2
Cleaner	: 1

Note that there is a big gap between the superintendent and every post levels such functional position of authority as all officers and examiners are all on level 7 which create problems in terms of assigning an authority person when the superintendent is not in.

E-Natis

The system has now stabilized and staff are now trained to use the system.

Overall Comparative Performance in 2006/2007 financial year to that of 2005/2006

Law Enforcement

Summons issued	:1159
Summons paid	:273
Summons withdrawn	:196

MVA'S attended	:146
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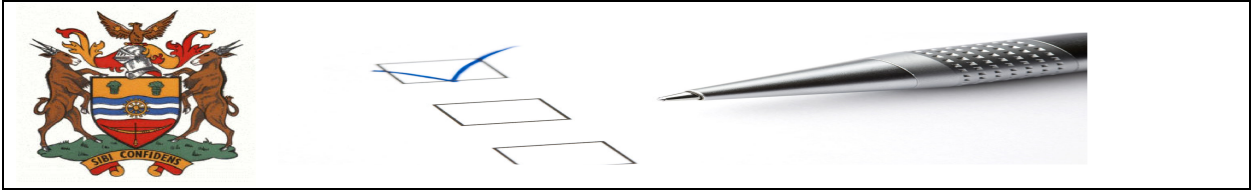
Income	:R 122 200
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Drivers Tests

05/06	:3523
06/07	:5116

Learners Tests

05/06	:2747
06/07	:3151



COR

05/06

:947

06/07

:1386

The above figures do not include June 07

Complaints

Complaints are mostly received verbally. In the new financial year a dedicated system will be implemented to monitor complaints. The majority of the complaints received concerned the selective treatment of public members when coming for service something that was addressed late last year and the new E-Natis system introduced in April this year.

Media Queries

The major queries concerned the E-Natis system and the corrective measures introduced for vehicle testing. The E-Natis query was addressed by the office of the Director and other responses were done by the office of acting superintendent especially on corrective measures in a report to the Municipal Manager.

General

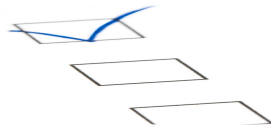
Speed calming measures were introduced to many of the roads in residential areas such Jennings Road (Colita), 8th Avenue (Frderville), Outstan Road, Zinnia Road, Veibana Road, and Good Street but a major demand for speed humps is still being experienced.

Two spare robot controllers were purchased as a result of difficulties experienced

late last year and early this year at Wembezi intersection and Estcourt and there should not be a repetition of the problem encountered. The department has also appointed the service provider to deliver three(3) traffic patrol vehicles which are to be delivered within thirty(30) days after receipt of notification of successful bidder.

Comparative Revenue Generated (Drivers and learners tests and COR) from July 05-May 07

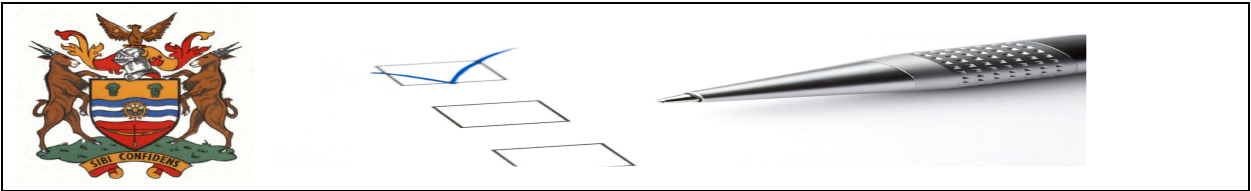
July 05	-	R 185 008.00	July 06	-	R 205 681.00
Aug 05	-	R 186 281.00	Aug 06	-	R 249 143.00
Sept 05	-	R 183 716.00	Sept 06	-	R 234 391.00



Oct 05	-	R 178 016.00	Oct 06	-	R 231 681.00
Nov 05	-	R 19 222.00	Nov 06	-	R 237 619.00
Dec 05	-	R 143 260.00	Dec 06	-	R 189 121.00
Jan 06	-	R 252 192.00	Jan 07	-	R 331 919.00
Feb 06	-	R 228 821.00	Feb 07	-	R 288 402.00
Mar 06	-	R 227 096.00	Mar 07	-	R 312 901.00
April 06	-	R 186 418.00	April 07	-	R 160 426.00
May 06	-	R 218 556.00	May 07	-	R 291 015.00
June 06	-	R 198 460.00			
Total Revenue			:R 9 678 633, 09		
Provincial Portion			:R 6 510 128, 77		
Council Portion			:R 3 168 504, 32		

Drivers Tests

July 05	-	201	July 06	-	298
Aug 05	-	249	Aug 06	-	488
Sept 05	-	296	Sept 06	-	498
Oct 05	-	306	Oct 06	-	488
Nov 05	-	375	Nov 06	-	507
Dec 05	-	299	Dec 06	-	460
Jan 06	-	350	Jan 07	-	479
Feb 06	-	339	Feb 07	-	455
Mar 06	-	367	Mar 07	-	605



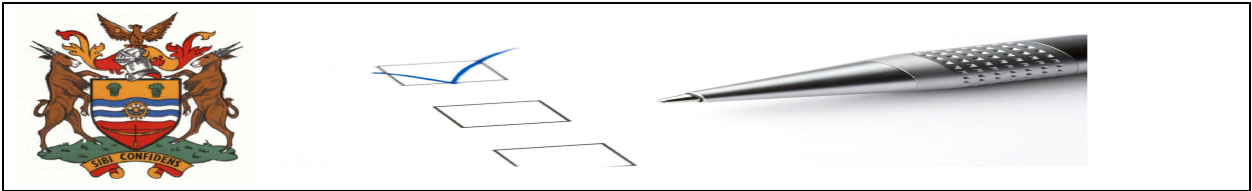
Apr 06	-	318	April 07	-	328
May 06	-	423	May 07	-	510
June 06	-	367			

Learners

July 05	-	180	July 06	-	286
Aug 05	-	266	Aug 06	-	325
Sept 05	-	260	Sept 06	-	274
Oct 05	-	245	Oct 06	-	292
Nov 05	-	256	Nov 06	-	298
Dec 05	-	260	Dec 06	-	283
Jan 06	-	278	Jan 07	-	318
Feb 06	-	263	Feb 07	-	277
Mar 06	-	211	Mar 07	-	308
Apr 06	-	239	April 07	-	188
May 06	-	289	May 07	-	302
June 06	-	293			

Certificate of Roadworthiness

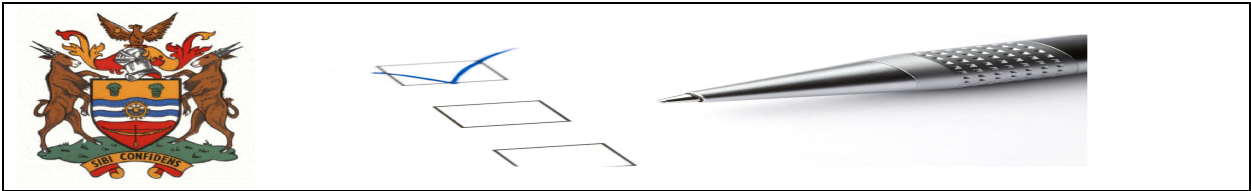
July 05	-	63	July 06	-	142
Aug 05	-	58	Aug 06	-	129



Sept 05	-	57	Sept 06	-	116
Oct 05	-	48	Oct 06	-	119
Nov 05	-	42	Nov 06	-	115
Dec 05	-	18	Dec 06	-	63
Jan 06	-	48	Jan 07	-	154
Feb 06	-	171	Feb 07	-	140
Mar 06	-	120	Mar 07	-	133
Apr 06	-	47	April 07	-	62
May 06	-	138	May 07	-	212
June 06	-	137			

Prosecutions

July 05	-	189	July 06	-	180
Aug 05	-	46	Aug 06	-	63
Sept 05	-	139	Sept 06	-	145
Oct 05	-	136	Oct 06	-	73
Nov 05	-	138	Nov 06	-	99
Dec 05	-	299	Dec 06	-	255
Jan 06	-	188	Jan 07	-	92
Feb 06	-	146	Feb 07	-	68
Mar 06	-	110	Mar 07	-	116
Apr 06	-	132	April 07	-	279



May 06	-	120	May 07	-	226
June 06	-	83			

NB: Figures from April 2007 are inclusive of new agency fee percentage of **8,55%** while other months are calculated on **7,5%**.

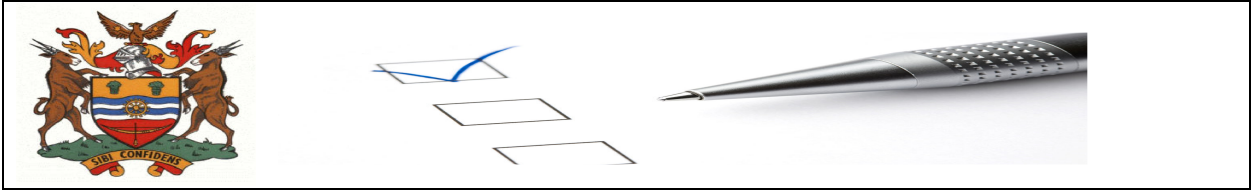
Guarding Services

The municipality on seeing recurring burglary on its properties took a decision to sought services of another security company. Undercover Technical Risk Security Services on a month-to-month basis pending the finalization of tendering process which has been finalized and only waiting for the officially appointing the successful tenderer. Few problems were experienced with the current company where at certain instances burglary took place but the security guards on duty could not apprehend culprits and the sleeping of security guards while on duty however the behavior was reported to security company authorities.

Also, what should be reported is that the company on site does not provide alarm monitoring, armed banking of our cash from different cash points and the inability to fix vending machine when broken/dysfunctional. This needs to be considered when finally awarding the three year contract service rendering by who soever wins the security tender. The tender adjudication has been done but no appointment was done since the committee needed inclusion of preferential points in the evaluation process which can be finalized within five(5) days from notification date to tenderers.

CHALLENGES FOR THE SECTION

- ❖ The shortage of staff in key positions need to be addressed,
- ❖ The condition and age of the vehicle fleet sends negative signal to the staff and the public, however a new dawn is looming considering the that tendering has been done awarding only waiting for delivery of vehicles within two weeks of next month.
- ❖ The shortage of office space is critical as large volume of people requiring our service has increase and ths result in full offices which may expose employees to airborne diseases like TB.
- ❖ The current grading system at traffic causes lot of unhappiness in staff morale.
- ❖ A Traffic Manager, Senior Law Enforcement Officer and Senior Examiner should be speedily employed.
- ❖ A realistic rank structure must be researched. Staff grading systems must be revisited.
- ❖ The shortage of parking must be addressed. Outsourcing this function could be a possibility.
- ❖ Street Mechanics have proliferated to the extent that Phillip Street has become a workshop. This is a problem that the ward councillor must address.
- ❖ The issue of livestock on the roads must also be a joint effort with Councillors and the communities.
- ❖ The withdrawal by local justice department of prosecutions without clearly explaining the reasons and means are on the pipeline to have sessions with the prosecutor.



Protection services has performed well in terms of revenue collection as indicated by the increase in the figures. There is always room for improvement and we will strive to achieve better results.

8 FIRE AND RESCUE SERVICES

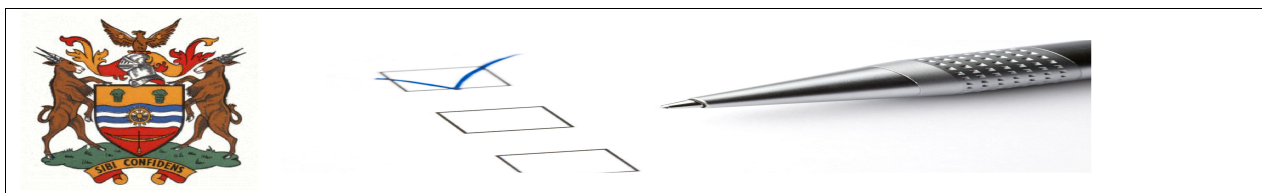
The section is functioning well except filing of the vacant post for the Fire Chief, the purchase of the new fire fighter vehicles as present ones are causing headaches in repairs which happens now and then, addition of permanently employed fire fighters as we only have two and lastly the training of these two available fire fighters on fire fighter1 and 2 as the basic training that could be offered.

Last year the municipality because of the fire accidents where the then available vehicles were dysfunctional took a decision to obtain through lease, the fire engine from fire Raiders in Boksburg. The following are call-out and responses at the section for the entire financial year:

- | | |
|----------------------------|------------------------|
| ❖ 6 x Bees reports | |
| ❖ 9 x special duties | |
| ❖ 13 x snake reports | 4 x truck fires |
| ❖ 1 x decanting | 7 x HMT/MVA |
| ❖ 6 x spillages/oil/diesel | 5x fire drills |
| | |
| ❖ 1 x gas leak | 8 x rubbish dump fires |
| ❖ 2 x building fires | 33 x grass fires |
| ❖ 3 x rubbish bin fires | 1 x cat rescue |
| ❖ 4 x house fires | |

9. Conclusion

I trust the report has covered all requirements for charters as far as the department and its components is concern.



SOCIAL AND COMMUNITY SERVICES

1. INTRODUCTION

This paper presents the Social and Community services annual report. The report structure presents background information as gathered from the individual sections and also the objectives of the Directors' performance charters, as set out in the performance agreement.

During the 2006/2007 financial year the Social and community services department aimed to translate the local government 'developmental role' into specific activities that will ultimately contribute to an improvement in the quality of uMtshezi residents and maximise access to social and community opportunities. These among others have been a notable highlight in the health section of the Municipality wherein the department has established an HIV/AIDS Local Aids Council aimed at the prevention of infection through a variety of activities as contained in the HIV/AIDS strategy for the municipality.

Beyond the health of the community a noticeable achievement has been occupational health and safety programme devised in the department to meet different needs of employees as it is common knowledge that Community Series has arrange of employees falling under "labourers category" working under conditions that require maximum protection of employees, e.g., parks, cleansing, refuse & cemeteries. Also the clinics staff requires the same protection to this effect as they deal with contagious and dreadful diseases on their basis. Thanks to the departmental proactive plan zero incidents were reported.

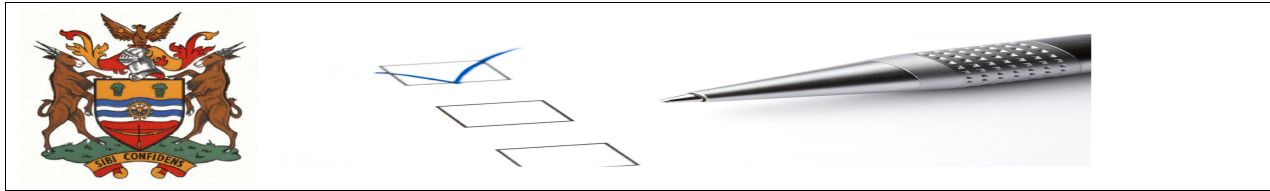
The following section discusses the human resources management and development component of the department, some of the details will be detailed in the performance objectives of each service delivery unit below.

2. HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

There are 150 staff members in the SCS department, working in the following departments.

Estcourt	Tot	Wembezi	Tot	Weenen	Tot
Administration	4	Supervisor Cl.Ref.Was.Par.Rec.	1	Supervisor Cl.Ref.Was.Par.Rec.	1
Central Clinic	4	Cemetery	4	Council Halls & Building	1
Fordeville Clinic	4	Parks / Recreation	6	Parks / Recreation	8
Central Library	2	Library	3	Clean./Refuse/Waste	11
Forderville Library	3	Refuse / Waste	7	Library	2
Estcourt: Supervisor C/R/W	1	Council Halls & Buildings	3	Museum	
Cleansing	23				
Council Halls & Buildings	9				
Parks & Recreation	30				
Refuse / Waste	21				
Swimming Pool	1				
Museum	1				
TOTAL EMPLOYEES P/T	103		24		23

UMTSHEZI MUNICIPALITY



NB: This exclude employees working on the keep uMtshezi clean programme, which has 39 employees on temporary/fixed contracts.

2.1 NEW APPOINTMENTS

The department did the following new appointments to the department in the financial year:

1. 39 employees for the Keep uMtshezi Clean poverty alleviation programme. These employees were distributed to Weenen, Wembezi & Estcourt areas, to ensure that cleansing and parks departments are capacitated with labour to carry their work load.
2. Senior Manager Parks and Recreation, Refuse and Cleansing, this is a placement from Corporate service as shown below that this post was as a result of retirement of the Senior Manager Parks and Recreation, Refuse and Cleansing
3. Two staff nurses we appointed in the Fordeville & Connor Street clinics respectively, due to the increasing volumes of patients come through to the clinics & for improving service delivery.
4. 3 labourers were also appointed as result of passing away of 1 person in Wembezi; retirement of two people in Weenen & Estcourt respectively.

It is also worth noting that as of the 01st of July 2007 the Social and Community Services directorate will be changing to be called Planning, Economic & Community Services.

2.2 PROMOTIONS

The Parks department has its Horticulturist promoted to the post of Superintendent Parks and Recreation.

2.3 TRAINING, WORKSHOPS AND DEVELOPMENT

The department has sent its staff to different workshops, and forums, classes and seminars to develop their capabilities in handling their daily duties. See attached schedule ([Annexure A](#)) of staff who have attended training.

The following sections will discuss how communication was handled in SCS department

3. COMMUNICATION

This objective relates to all the communication activities by the SCS department that are happening within the municipal organisation and to external functional and geographic communities. This is guided by the broad municipal communication strategy. The department is in the process of finalising the departmental brochure which will be an information tool for the department in communicating with external public.

The department also writes directly to members of the public, if there is a communication need e.g. overgrown private properties, waste collections, etc. From time to time the department communicates through the local newspaper, as mass media, to reach all the targeted people for that communiqué (copies of media release on Annexure B). Zack Majola has been second to the SCS department to handle external communication and Council events.



Internally, there are sectional meetings that are held every month, with supervisors and staff. Monthly management meetings are held to ensure that the management team gets feedback on their performances (See

Annexure C).

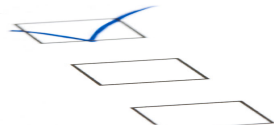
The Director: SCS also submits departmental reports to the Municipal Manager, Subcommittees, EXCO and Council on a monthly basis and whenever necessary as determined by the municipal manager or the political representatives.



Discussions during the HIV/AIDS workshop to communicate the need for a plan and strategy to educate, prevent, care and support the community against HIV/AIDS.

These are dealt with in the COMMUNICATION PERFORMANCE OBJECTIVES as follows.

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3.1 COMMUNICATION PERFORMANCE OBJECTIVES

To improve both internal and external communication so that the public is made aware of council policies, plans, commitments and performance; the public image of the Municipality is enhanced; accountability of the Municipality to the public is entrenched, and all employees are made aware of their responsibility of service delivery to the public.

KEY OBJECTIVE	KEY PERFORMANCE DELIVERABLE, STANDARDS AND INDICATORS	EXTENT OF ACHIEVEMENT	CHALLENGES ENCOUNTERED	RECOMMENDATION
1. Lead, Direct & Manage Staff	a. See attached annexure for CLO – only personnel assigned “direct” communication in the department b. All supervisors attends monthly departmental meetings (see Annexure C) c. Correspondence is sent to internal and external public (see Annexure D) d. Media releases are also performed (see Annexure C)	Achieved	❖ No monthly reports from CLO ❖ Delay in the circulation of internal and external communication ❖ CLO unavailability at times	❖ The post of the CLO be filled with a competent, willing and able candidate so that effective and efficient communication can be performed
2. Employment Equity	a. See Municipal HR Framework - circulated to all departments b. Plan available at HR	N/A	N/A	❖ S/A
3. Training plans	a. CLO only appointed in April 2007 due to delay caused by the Moratorium on the post	N/A	N/A due to the late appointment & unwillingness of the acting CLO	❖ S/A
4. Monitor & Control Budget	a. Operational budget	Achieved	❖ Moratorium on the CLO post hindering the allocation of Communication budget during the Adjustment budget process	❖ S/A
5. Prepare & Submit reports	a. Departmental Monthly Reports submitted to MM (See Annexure C) b. Departmental reports submitted to Sub-Committees, EXCO & COUNCIL (see Annexure E)	Achieved	❖ No reports received from the CLO ❖ Administration staff handles the communication load without reward	❖ S/A
6. Provide support to the political level	a. As determined by the municipal manager e.g. Budget road shows, IDP Community Participation, etc	Achieved	❖ CLO not attending Council and EXCO Meetings	❖ S/A
7. Overall management of the department & Implementation of Council policies	a. No particular internal / external audit receive pertaining to the department b. Attends Management meetings and cascade information	Achieved	❖ Implementing SCM policies ❖ N/A	❖ S/A

UMTSHEZI MUNICIPALITY



4. ARTS, CULTURE & HERITAGE

In terms of heritage the municipality does not have a qualified Curator, but a clerical assistant who helps with the maintenance and operations of the existing resources that are in the museum. The SCS department has sent the current clerical assistant: museums for training with UNISA towards a Curatorship qualification.

The SCS department has also spent funds on renovating the cultural huts that in the Museum. It is now complete. In the process of regenerating indigenous knowledge the procurement of traditional Zulu artefacts has been performed in the form of Beads, Traditional Attire and food equipments like, izingqoko (wooden trays), izinkamba (calabash), etc.

Tourists visits to our Municipal museums is as follows:

Museum	Adults	Children
Weenen	6	-
Fort Durnford	1 585	2 061

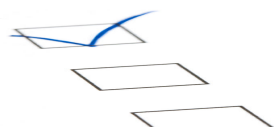
The department is also re-painting the Fort Dunford. There being no dedicated human and capital resource, the issues of arts and culture have only been performed in a responsive manner e.g. providing transport for the girls going to uMkhosi WomHlanga and Heritage day (Weenen). However, that the Community Liaison Officer has been appointed the issue of planning for the cultural events and upkeep is planned to be underway, should the incumbent in the post be cooperative.

Noticeable performance in the department has also been the participation in the indigenous games that were organised by the KZN department of Sports and Recreation.



Fort Dunford Museum

UMTSHEZI MUNICIPALITY

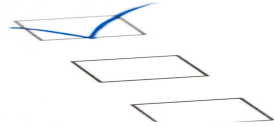


4.1 ARTS, CULTURE & HERITAGE PERFORMANCE OBJECTIVES

To lead and direct the arts, Culture and Heritage Services Division so that appropriate policy and strategy is developed for this area, an implemented in the municipality in order to improve accessible arts, culture and heritage programmes and facilities for all within the Municipality

KEY OBJECTIVE	KEY PERFORMANCE DELIVERABLE, STANDARDS AND INDICATORS	EXTENT OF ACHIEVEMENT	CHALLENGES ENCOUNTERED	RECOMMENDATION
1. Lead, Direct & Manage Staff	a. All staff got clearly defined job descriptions (see HR files) b. All supervisors attends monthly departmental meetings c. Responsible persons submits monthly reports	Achieved	❖ No particular personnel dealing with only Arts & Culture (it is a shared responsibility between CLO, Libraries & Museums)	The municipality should create the post of the Special Programmes coordinator who will work hand in hand with the CLO
2. Employment Equity	a. See Municipal HR Framework - circulated to all departments b. Plan available at HR	Achieved	N/A	❖ S/A
3. Training plans	a. Museum staff (Ningi Shelembe is attending the curatorship course) b. Library staff also undergoes training c. CLO attends to sporting workshops	Achieved	❖ Only one person in the Museum so when the Clerical assistant attends training nobody to fill in	❖ Back up staff will be required in future
4. Monitor & Control Budget	a. 1. Operational budget	Achieved	❖ No enough budget to implement cultural and heritage programmes	❖ Budget for special programmes is required in the municipality
5. Prepare & Submit reports	a. Departmental Monthly Reports submitted to MM b. Departmental reports submitted to Sub-Committees, EXCO & COUNCIL	Achieved	❖ Report writing is still a challenge	❖ Training and development
6. Provide support to the political level	a. As determined by the municipal manager e.g. Budget road shows, IDP Community Participation, etc	Achieved	❖ N/A	N/A
7. Overall management of the department & Implementation of Council policies	a. No particular internal / external audit receive pertaining to the department b. Attends Management meetings and cascade information	Achieved	❖ N/A	N/A
8. Arts, Culture & Heritage strategy	a. No clear direction in the existing IDP b. However the department is working together with related sector departments in mapping the strategy	Achieved	❖ Lack of strategic direction from the IDP	❖ Clear strategic direction from the IDP

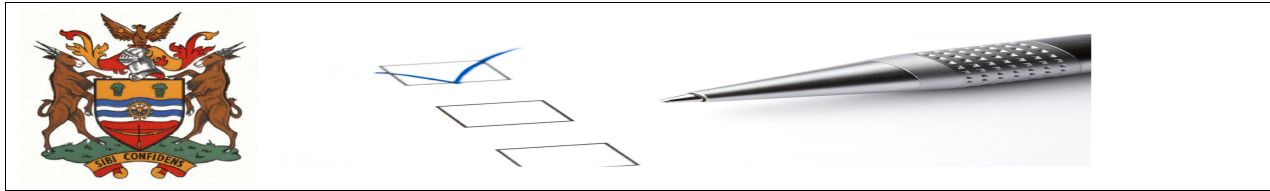
UMTSHEZI MUNICIPALITY



9. approval of policy & regeneration	a. No formalised policies due to lack of resources b. Museums maintains commendable heritage standards	Achieved but there is need for improvement	❖ Lack of financial & Human resources for this purpose	❖ Same as 4 above
10. Implementation plan	a. Departmental business plan indicates needed intervention	Achieved but there is need for improvement	❖ Cultural diversity	❖ Embracing cultural diversity programmes
11. Influence area managers	a. No area managers related to this function	N/A	N/A	❖ N/A
12. Intergovernmental relations	a. See annexure for correspondence about arts and culture	Achieved	❖ Not enough Personnel to attend meetings	❖ Same as 3 above



UMTSHEZI MUNICIPALITY



5. HEALTH, SOCIAL DEVELOPMENT AND SPORTS AND RECREATION

5.1 HEALTH

5.1.1 FORDEVILLE CLINIC

Forderville Clinic provides a comprehensive health care, VCT, PMTCT and on-going counselling sessions and ARV sessions. Staff attended various meetings and in-service training at the Estcourt Hospital and Ladysmith Hospital throughout the year. A Measles and Polio Campaign was held from the 9th - 13th April 2007. Learners from surrounding creches and pre-schools as well as those brought to the clinic, were immunised.

- ❖ 544 Children were immunised against Measles
- ❖ 624 Children were immunised against Polio

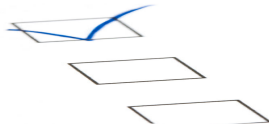
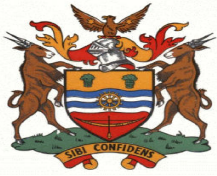
5.1.2 CONNOR STREET CLINIC

The clinic continues to serve the community and is also utilised by people from the surrounding areas of Estcourt. The clinic faces challenges and is finding it difficult to cope with the increase in TB patients which is very time consuming as one has to “trace” defaulters, especially in the light of MDR and XDR strains of TB.

They also continue to monitor CD4 levels and adherence training is done at the clinic and Well-Being Centre, but the Anti-Retroviral treatment at this stage is collected from the ARV clinic at the hospital - this is expected to change soon however. The staff are continually evaluating the situation and trying to find ways of decreasing the waiting time without compromising the quality of care. The staff component has remained the same as last year, with Sister Tshabalala relieving when any one of the Sisters are away on leave, sick leave or on course. There are times though when by necessity, the Clinic has been staff by only two sisters.

5.1.3 HEALTH AWARENESS DAYS HELD AT THE CLINICS

1. 24 March 2006
World TB day - caps were distributed to all patients.
2. May /June 2007
Measles and Polio campaign
3. 26 June 2006
International Day against Drug Abuse and Illegal Drug Trafficking
4. 1 December 2006
World Aids Day - A candlelight service was held.



Candles of hope lit by Mayor & Councillors during the first HIV/AIDS workshop held in the town hall

5.1.4 CLINICS ATTENDANCE

CONNOR STREET CLINIC

Activity	Total
- 5 Years	4 608
Over 5 Years	19 603
TOTAL	24 211

FORDERVILLE CLINIC

Activity	Total
- 5 Years	3 299
Over 5 Years	18 966
TOTAL	23 265

5.1.5 DAILY VISITS TO CLINICS

CONNOR STREET

Activity	Total
Immunizations	1 434
Chronic clients	3 158
No. of TB clients	830
No. of TB suspects	221
Tested positive	42
Family Planning total attendance	5 054
Pap smears taken	110

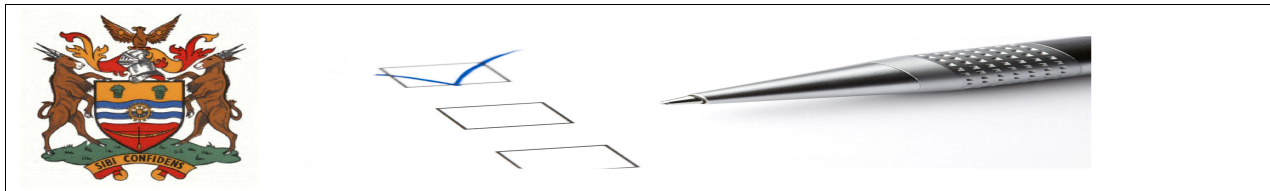
FORDERVILLE CLINIC

Activity	Total
Physiotherapy sessions	67
Psychiatric sessions	255
Dietician	45
TB Patients	414
Suspects	140
Positive sputums	26

5.1.6 HIV TESTING

(Voluntary Counselling and Testing & Prevention of Mother to Child Transmission)

UMTSHEZI MUNICIPALITY



CONNOR STREET CLINIC

Activity	Total
Ante-Natal Clients tested	1 427
PMTCT Number tested	286
PCR Number tested	97
VCT (including Well-Being Centre)	1 773
Clients who came for CD4 counts	861

FORDEVILLE CLINIC

Activity	Total
Ante-Natal Clients tested	
(PMTCT)	235
Positive result	109
Negative result	126
Clients tested (VCT)	349
Positive result	156
Negative results	193
CD4	235
PCR	37

5.2 AERODROME:

An inspection of the aerodrome was carried out by the Department of Civil Aviation, and our Annual Aerodrome Licence was renewed. It has been necessary to publish a Notice to pilots due to stray animals on the runways from the nearby Mimosadale settlement. The fences are regularly cut or stolen. The ablution facility will need to be completed when funds are available and additional tarring of the 01 runway should be planned for a future date. The main impediment being a lack of funding and that a subsidy or grant was a possible solution. Also this area is a victim of Vandalism (see Annexure F)

5.3 SPORTS FIELDS:

The main soccer stadiums (Princess Park, Lambert Park & Wembezi) continues to be very well utilized including, the 11 practice fields in various areas of Wembezi, Estcourt & Weenen. General maintenance, cutting and marking continued at all sports fields with few problems being experienced during the year, except that some facilities are over utilized due to the popularity of soccer. The recovery of the turf has been so good that teams are now requesting that a faster less dense species of grass be used for regrassing the field in future. A water supply line was installed to bring water for irrigation purposes to the "C" Section field but the water pressure is insufficient. New fields were built, resulting in extra capacity being created by improvements and erection of soccer posts. These fields are being maintained and marked when necessary.



The municipality is also working closely with the department of Sports and recreation to establish all sports codes and revive the indigenous games, like horse riding; uMagenda, etc. (see Annexure G)

5.4 COMMUNITY GARDENS:

Assistance was provided with the ploughing and fertilizing and of new community food gardens in Wembezi. These gardens are being established in the various sections on request from resident's organizations. The residents, usually women's groups plant food crops for consumption by the members. Surplus vegetables are sold and the proceeds are used to buy seeds or seedlings and fertilizer. A few small areas have also been prepared in school grounds for educational purposes. Various organisations were supplied with vegetable seedlings throughout the course of the year.

5.5 COMMUNITY DEVELOPMENT WORKERS PROGRAMME

This programme has assisted the municipality in terms of Social Development. With the three CDWs employed on this programme a lot of women, rural and youth empowerment has taken place. (See Annexure H)

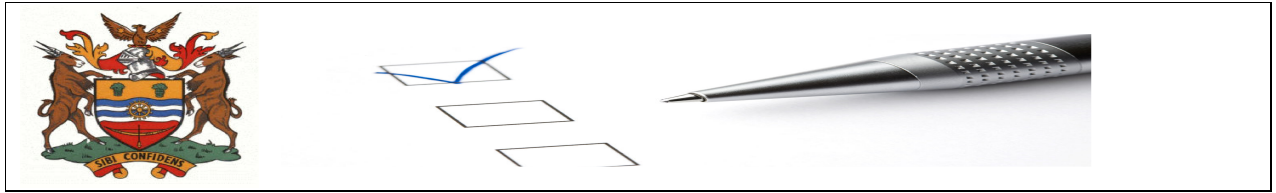
5.6 HALLS, BUILDINGS AND MAINTAINANCE

Problems were experienced with tables and chairs being removed from the Halls and not returned. Every effort is made to try and retrieve these items. New tables and chairs were purchased with Capital Funds in June 2007. General routine repairs and installations were carried out. Air freshener dispensers were mounted in all toilets throughout the main building, in an effort to curb expenditure.

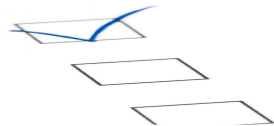
Several new air conditioner units were installed and faulty air conditioners replaced and upgraded. The ceiling at Forderville Hall was replaced and ceiling fans will be installed before the end of the Financial Year. An alarm system and a hot water geyser were put in at Paapkuilsfontein Hall. The Council Chamber was re-painted - new chairs and tables will have to be ordered in the new financial year.

HALLS	RELIGIOUS (FUNERALS, CHURCH MEETINGS)	WEDDINGS & OTHER RECEPTIONS	LECTURES (WORKSHOP S	SCHOOL FUNCTIONS	CULTURAL MEETINGS	OTHER
ESTCOURT TOWN HALL & SIDE HALL	14	59	38	39	72	96
LIBRARY PROJ ROOM	39	-	33	16	194	15
COLITA HALL	60	2	-	1	29	1
PAAPKUILS HALL	72	6	2	3	46	-
FORDEVILLE HALL	34	51	1	34	39	12
WEMBEZI HALL & C'SECTION	26	4	1	12	-	1

Hall bookings stats table



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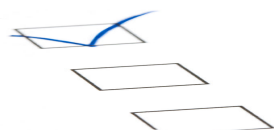


5.7 HEALTH, SOCIAL DEVELOPMENT AND SPORTS AND RECREATION PERFORMANCE OBJECTIVES

To lead and direct the Community Services Department of the Municipality so that the opportunity is facilitated for all the citizens of the Municipality to have equal access to community services such as Health; Sports and Recreation and Social Services opportunities. The purpose of these services is to improve the quality of citizens' lives and the quality of community life.

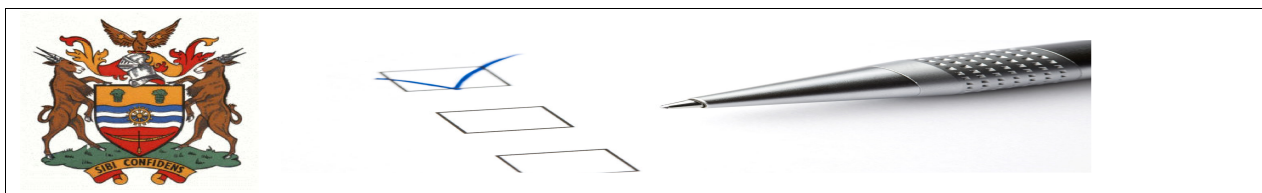
KEY OBJECTIVE	KEY PERFORMANCE DELIVERABLE, STANDARDS AND INDICATORS	EXTENT OF ACHIEVEMENT	CHALLENGES ENCOUNTERED	RECOMMENDATION
1. Lead, Direct & Manage Staff	a. All staff got clearly defined job descriptions b. All supervisors attends monthly departmental meetings c. All supervisors submits monthly	Achieved	❖ Lack of sports facilitator	❖ Municipality should appoint the Special Programmes Co-ordinator
2. Employment Equity	a. See Municipal HR Framework - circulated to all departments b. Plan available at HR	Achieved	N/A	N/A
3. Training plans	a. See attached annexure on training for Health staff and HR records	Achieved	❖ N/A	N/A
4. Monitor & Control Budget	a. Operational budget	Achieved	❖ Preparations for take-over of clinics by department of health	❖ Consultation with all affected parties
5. Prepare & Submit reports	a. Departmental Monthly Reports submitted to MM b. Departmental reports submitted to Sub-Committees, EXCO & COUNCIL	Achieved	❖ Format of reports submitted monthly based on performance statistics	❖ Improvement on the reporting system is required including PMS
6. Provide support to the political level	a. As determined by the municipal manager e.g. Budget road shows, IDP Community Participation, etc	Achieved	❖ Reports are submitted with no feedback	❖ Feedback on reports is required
7. Overall management of the department & Implementation of Council policies	a. No particular internal / external audit receive pertaining to the department b. Attends Management meetings and cascade information	Achieved	❖ Non-development of the sports council due to financial constraints N/A	❖ Budget need to provided for this purpose
8. Lead and direct the Health dept.	a. See attached Clinics health report b. HIV/AIDS Strategy complete (available on request) c. Environmental Health (District Function)	Achieved N/A	❖ Increasing volume of patients against same personnel at clinics ❖ Poor attendance in the beginning of the HIV/AIDS strategy formulation process	❖ Increase the nursing staff ❖ Vigorous communication

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9. Lead & Direct the sports & recreation function	<p>a. Co-ordination of sports events (see Annexure G)</p> <p>b. Sports development through Sports co-ordinators & young champions programmes together with province – see attached reports to province by sports co-ordinators</p>	<p>Achieved</p> <p>Achieved</p>	<ul style="list-style-type: none"> ❖ Sports department in Ladysmith likes working at short notices & they communicate very poorly ❖ Poor infrastructure for other sporting codes to develop ❖ No budget provided for as it was cut during submissions by the departmental director 	<ul style="list-style-type: none"> ❖ Improve communication methods and planning
10. Lead & Direct the social development function	<p>a. Support given to small farmers, women gardening groups e.g. buying seedlings and feeders for farmers (see Annexure I)</p> <p>b. The department utilises the Community Development Workers programme to address social development need (see Annexure H)</p> <p>c. Only the sporting event was organised for the elderly and due to the area populated by Africans the issue of old age is not yet on the cards</p> <p>d. 3. Discussion has taken place up to the Council meeting</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ❖ No budget provided for 06/07 ❖ Access and information about rural aged people not readily available at social welfare ❖ Incorporation of CDWs into the municipal structure 	<ul style="list-style-type: none"> ❖ Budget for social development is needed ❖ Municipal information needs to be developed through the Planning & GIS department
11. Develop policies for community services	<p>a. Hall bookings policy has been done and completed</p>	<p>Achieved but there is need for improvement</p>	<ul style="list-style-type: none"> ❖ Municipality being a welfare institution (wanting to provide everything) 	<ul style="list-style-type: none"> ❖ Attitudinal change is required at all levels
12. Stakeholder participation	<p>a. Through IDP & Budget Processes</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ❖ Focus on semi-urban & urban areas 	<ul style="list-style-type: none"> ❖ The municipality needs a rural planning strategy
13. Networking with politicians	<p>a. Sub-committees, EXCO & Council meetings</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ❖ Ward committees establishment not complete thus not functioning 	<ul style="list-style-type: none"> ❖ Complete the process
14. Network with other levels of government	<p>a. attendance to workshops and forums attached</p> <p>b. Not applicable</p> <p>c. Not applicable</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ❖ Limited personnel to attend 	<ul style="list-style-type: none"> ❖ Functional CLO & Special programmes co-ordinator
15. Marketing strategies to stakeholders	<p>a. see communications above</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ❖ No municipal wide adopted communication strategy 	<ul style="list-style-type: none"> ❖ Municipal communication strategy is needed

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6. LIBRARIES

6.1 CIRCULATION

The circulation of print and non-print material has increased at all four libraries compared to last year. That is because of the relationship that has been created between schools (e.g. Mimosadale, St Gregory etc.) around Umtshezi Municipality and the old age home. And there are more children using the libraries for their school projects and recreational use. A lot of photocopies from library books are being made and staff is always there to give necessary assistance to the members of the library. Another reason for the increase in circulation of books is that Librarians also choose good/new books at the Central Reference Library in Pietermaritzburg. Some libraries were conducting Read and Grow competition, learners were judged on the number of books that they have read. See the next table of total circulation of print and non-print material:

LIBRARY	CIRCULATION OF ITEMS	TOTAL
Estcourt	Printed and non-printed material	37157
Forderville	Printed and non-printed material	23567
Wembezi	Printed and non-printed material	14225
Weenen	Printed and non-printed material	7242

The number of books to be taken by adult has been increased to from 6 to 8 books per adult, from 3 to 4 for juveniles and the number of books to be taken by pensioners is unlimited.

6.2 MEMBERSHIP

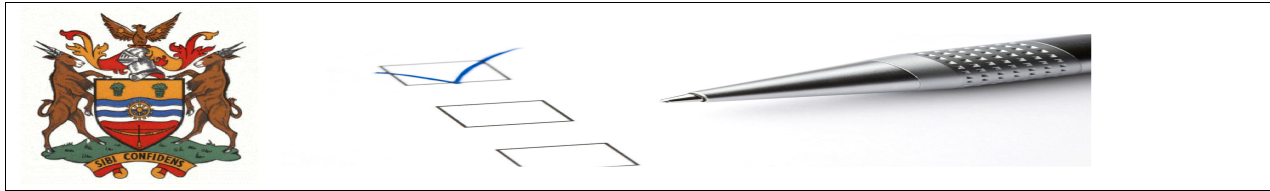
Membership at libraries showed a steady increase throughout the years. See the next table on membership per library.

MEMBERSHIP	SENIOR	JUNIOR	YOUTH	TOTAL
Estcourt	1588	435	768	2791
Wembezi	542	677	389	1608
Fordeville	866	691	108	1665
Weenen	225	131	88	444

6.3 DISPLAYS

Various displays on different topics were put up in all libraries to trigger discussions. This is a joint venture by SCS departments to use libraries as the center of information which is not only in books but also development information, for example;

- ❖ Cricket World Cup, (Linked to sports above)
- ❖ History of Weenen, (Linked to heritage above)
- ❖ Freedom Day, (Linked to heritage above)
- ❖ Heritage Day, (Linked to heritage above)



- ❖ Breast cancer, (Linked to health above)
- ❖ Dewali, (Linked to culture above)
- ❖ Astronomy,
- ❖ Crafts, (Linked to culture above)
- ❖ Mental health, (Linked to health above)
- ❖ Career Guidance etc.

6.4 LIBRARY EVENTS

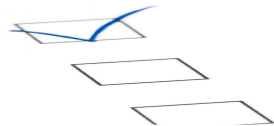
Library Week 2007 was celebrated on from the 19th –23rd March 2007. On Monday the 19th March 2007 from 10h00-12h00, Estcourt Library served fruit juice to the users. Three hundred learners from Edilini Primary School from Ntabamhlophe area were invited by Estcourt Library to visit the library for orientation and motivation on reading. Other libraries celebrated Library Week by story telling, colouring competition, school visits etc. Below are some of the pictures that show how the Library Week was celebrated.



Mrs Lakhan helping the children to Colour in.



They are ready to do some colouring

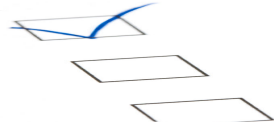


6.5 LIBRARIES PERFORMANCE OBJECTIVES

To lead and direct the Community Services Department of the Municipality so that the opportunity is facilitated for all the citizens of the Municipality to have equal access to community services such as Library Services opportunities. The purpose of these services is to improve the quality of citizens' lives and the quality of community life.

KEY OBJECTIVE	KEY PERFORMANCE DELIVERABLE, STANDARDS AND INDICATORS	EXTENT OF ACHIEVEMENT	CHALLENGES ENCOUNTERED	RECOMMENDATIONS
1. Lead, Direct & Manage Staff	a. All staff got clearly defined job descriptions (see HR files) b. All supervisors attends monthly departmental meetings c. Senior librarian submits monthly reports (available on request)	Achieved	❖ Financial mismanagement in Weenen library ❖ Library changes from being five to six days workers	❖ Stringent policies regarding theft in the municipality needs to be developed ❖ N/A
2. Employment Equity	a. See Municipal HR Framework - circulated to all departments b. Plan available at HR	Achieved	❖ N/A	
3. Training plans	a. Library staff are the most attending training staff in the department	Achieved	❖ Unqualified librarians	❖ Problem solved as they are all undergoing training
4. Monitor & Control Budget	a. Operational budget	Achieved	❖ To buy computers mid-year unbudgeted due to failure of the old ones	❖ N/A
5. Prepare & Submit reports	a. Departmental Monthly Reports submitted to MM b. Departmental reports submitted to Sub-Committees, EXCO & COUNCIL	Achieved	❖ Format of reports submitted monthly based on statistics	❖ Improve report writing
6. Provide support to the political level	a. As determined by the municipal manager e.g. Budget road shows, IDP Community Participation, etc	Achieved	N/A	N/A
7. Overall management of the department & Implementation of Council policies	a. No particular internal / external audit receive pertaining to the department b. Attends Management meetings and cascade information	Achieved	❖ Implementing SCM policies ❖ N/A	Continuous training is required

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8. Lead and direct Library services

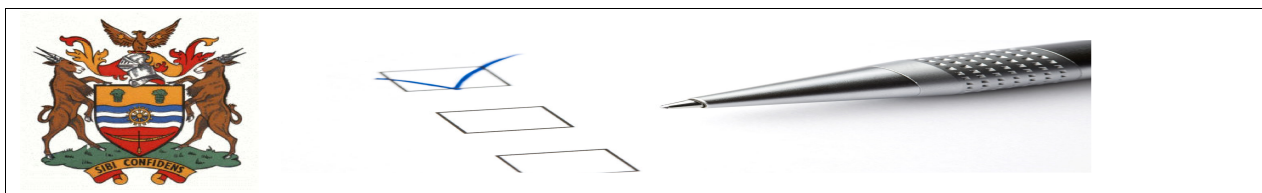
a. See above – library events
b. Library computer system working fine
c.. See above explanatory note

Achieved

❖ N/A
❖ N/A



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7. PARKS AND CEMETERIES

The goals of the Parks Section are of necessity very broad due to the range of facilities and services offered and functions performed. Generally, the Parks Section aims to provide an aesthetically pleasing environment, parks and gardens and to provide adequate sport and recreation facilities for all within the Umtshezi Municipal boundary. Success in this regard will contribute to attracting tourism, new industries and new residents to Umtshezi and consequently reduce the level of poverty, crime and social problems. Considering the small staff employed by the Umtshezi Parks Section compared to other local authorities of comparable size, a fairly high standard of recreation amenities, cleanliness and public open space is provided.

Existing facilities are usually well maintained but new sport fields and facilities will have to be developed in the future to meet the needs of the community. Schools and sports clubs are also assisted where possible with the maintenance of their properties. Despite rationalisation in many local authorities that have ceased to plant flowers and trees in public areas or maintain sidewalks outside private properties, Umtshezi Municipality still provides these services within the constraints of limited resources. Staff training is given high priority including in-service training of machine operators, on site training courses for drivers and operators and sending staff on training courses. Supervisors attended a cemetery workshop.

7.1 CEMETERIES:

A new section was started at the Wembezi cemetery when all graves in the first stage were used. The Estcourt cemetery has almost reached capacity but more grave plots have been accommodated by using space that was set aside for access roads and pathways. Final studies were completed into the suitability of a new site in Albert Street Extension several years ago. The proposed site was given approval by the Geological and Environmental Consultants, and the Department of Environment Affairs. Transfer of one half of the land for the new cemetery in Albert Street extension has taken place, and finalization of the balance of the land should take place during the next financial year. Legal technicalities with the remaining land have now been resolved and it is hoped that the purchase of the property can now proceed. Wembezi cemetery requires an urgent need for land as it is running full, even statistics below show that it is the most used burial site.

ESTCOURT		WEMBEZI		WEENEN		KWANOBAMBA	
Adults	62	Adults	241	Adults	2	Adults	16
Children	5	Children	26	Children	-	Children	-

Stats on funerals that took place in municipal cemeteries

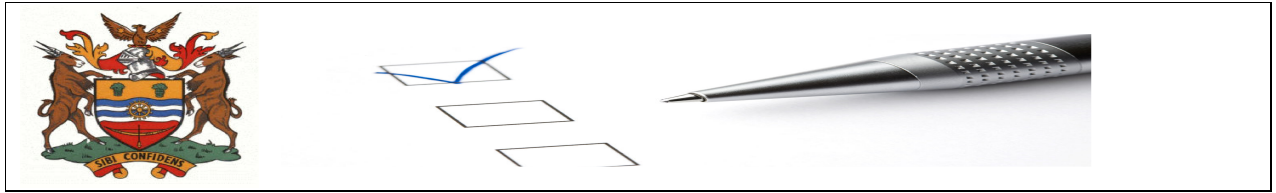
7.2 CARAVAN PARK:

The Estcourt Caravan Park is well known and has been popular with Caravan / Tent Campers for many years. It continues to be a popular stop-over point for visitors en-route to or from the coast and is also used by contractors doing work for local industries.

7.3 CONSOLIDATION OF MUNICIPAL AREA

The amalgamation of surrounding areas and towns such as Wembezi and Weenen with Estcourt has considerably increased the volume and scope of functions and services expected but supervisory staff and

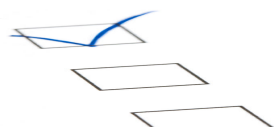
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the general workforce has not increased to accommodate these areas proportionately. The long distances between the centres also make supervision problematic. Capital funding requested over the past few years to replace very old equipment has not been approved, with the result that machines and vehicles are often undergoing repairs or standing. Old unreliable equipment needs to be replaced because it is impacting seriously on levels of service and is costly to repair.



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7.4 PARKS AND CEMETERIES PERFORMANCE OBJECTIVES

To lead and direct the Parks and Cemeteries Department of the Municipality so that the service delivery requirements as set out in the IDP are met.

KEY OBJECTIVE	KEY PERFORMANCE DELIVERABLE, STANDARDS AND INDICATORS	EXTENT OF ACHIEVEMENT	CHALLENGES ENCOUNTERED	RECOMMENDATIONS
1. Lead, Direct & Manage Staff	a. All staff got clearly defined job descriptions (see HR files) b. All supervisors attends monthly departmental meetings c. Superintendent submits monthly reports	Achieved	❖ Poorly paid staff	❖ Review of the municipal pay structure is required
2. Employment Equity	a. See Municipal HR Framework	Achieved	N/A	N/A
3. Training plans	a. Superintendent organise training on equipment	Achieved	❖ Unskilled/semiskilled labourers	❖ Labourers need training
4. Monitor & Control Budget	a. Operational budget	Achieved	❖ Resources like tractors not adequate	More tractors to be provide and be budgeted for
5. Prepare & Submit reports	a. Departmental Monthly Reports submitted to MM b. Departmental reports submitted to COUNCIL	Achieved	❖ None	N/A
6. Provide support to the political level	a. As determined by the municipal manager e.g. Budget road shows, IDP Community Participation, etc	Achieved	None	N/A
7. Overall management of the department & Implementation of Council policies	a. No particular internal / external audit receive pertaining to the department b. Attends Management meetings	Achieved	❖ Centralised recreational facilities ❖ Swimming pool staff being seasonal	❖ Rural focus is required in terms of sporting facilities ❖ Review their employment
8. Prepare plans for parks and cemeteries	a. Plan is enshrined in the departmental business plan b. Capital projects are in the Council IDP	Partially Achieved	❖ Land use management is not complete wherein public open spaces are determined or need to be.	❖ Finalise land use management
9. Research to future parks & public open spaces	a. Pending Land use management guidelines adoption by council	Partially Achieved	❖ Lack of research capacity internally	❖ Funding to be provided for this objective
10. Enforcement of bylaws & prosecution of offenders	a. N/A Corporate Services	N/A	❖ N/A	N/A
11. Provide environmentally acceptable Parks & Cemeteries	a. No negative report to this effect	Achieved	❖ Lack of inspection by Environmental Officers	❖ EHOs should be encouraged to inspect
12. Oversee depots & work areas	a. Weenen, Wembezi & Estcourt are well managed	Achieved	❖ Central planning for other depots	❖ Area managers needed
13. Implementation of the IDP in relation to parks	a. Parks are maintained and accessible to the community	Achieved	❖ In townships parks are not well equipped	❖ Township focus / bias in budgets for Parks

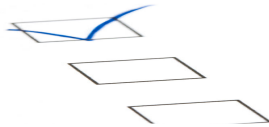
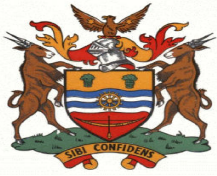
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14. Quality service & maintenance of cemeteries	a. Few if any complaints in the cemeteries section	Achieved	❖ Cemeteries are not fenced ❖ Cemeteries are filling up quickly	❖ Budget be provided for this purpose
15. Reduce infrastructure backlog in terms of parks	a. There parks in the municipality b. Population densification determines park necessity as such most of the municipal area does not have constructed parks but natural spaces	Partially achieved	❖ Limited budget to achieve this objective	❖ Budget be provided for this purpose
16. Plan and Implement special projects	a. Plan in the municipal IDP	Achieved	❖ Limited budget to achieve this objective	❖ Budget be provided for this purpose



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8. WASTE MANAGEMENT

The Waste Collection and Disposal Section has collected and/or disposed of the following volumes of waste during 2005/2006 financial year;

TYPES OF WASTE	Tonnes
Domestic waste	1318
Garden waste	394
Business waste	734
Industrial waste	3799
Building waste	334
Street cleaning Waste	206
Other (animals, condemned foodstuffs etc)	25 loads

The bulk skip container waste removal system continues to work effectively, with several requests from local businesses wishing to convert to this system. Funds were unfortunately not available to purchase any additional skips. The skip loader vehicle - NE 9810, is 20 years old and requires replacing in order to cope with this requirement from the municipal business community. The following plans are in place to deal with waste in uMtshezi:

8.1 KEEP UMTSHEZI CLEAN PROGRAMME:

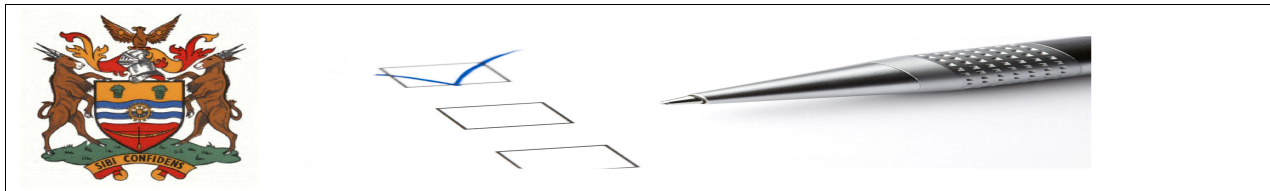
Temporary cleaners were utilised during the Umtshezi Clean up Campaign - 14 in Wembezi, 17 in Estcourt and 9 in Weenen.

8.2 WEEKEND CBD CLEANERS:

Six temporary cleaners continue to clean the CBD area over weekends and on public holidays. Cleaning is effective and cleanliness of the Estcourt town over weekends has improved.

8.3 ILLEGAL DUMPING

The department is facing a great challenge in curbing illegal dumping. Even though the department puts up signs they are vandalised or scratched & end up reading dumping area instead of no dumping area or kulahlwa udoti lapha instead of akulahlwa udoti lapha. Particular in Fordeville (Bangladesh area) and Wembezi. (see picture)



Wasted effort to curb illegal dumping

8.4 WASTE DISPOSAL SITE:

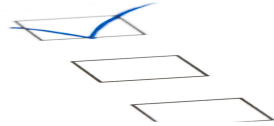
New trenches were dug. Dumping of old tyres at the waste site has been discontinued as per the instruction from environmental affairs. Problems experienced with Nestle fly ash and coffee waste, and Masonite's sawdust which catches light easily and burns refuse in trenches. The main problem also is that the municipal dumpsite does not meet the required environmental health standard for a land fill site e.g. it is not fenced, no functional borehole in case of fire and most critically animals (see picture and people roam the area a major health risk that needs to be budgeted for before a major health disaster befall the people living in the area.



8.5 VEHICLES:

Waste compactor - Agrico machine : NE 3613 needs to be replaced. Machine is old and continuously breaks down and cannot keep up with the loads of waste disposed. LDV's need to be replaced - NE 15771 and NE 15772, as well as the Skip Loader NE 9810 and Weenen's Isuzu NW 1323.

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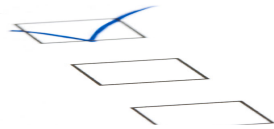


8.5 WASTE MANAGEMENT PERFORMANCE OBJECTIVES

To lead and direct the Waste Management Department of the Municipality so that the service delivery requirements as set out in the IDP are met.

KEY OBJECTIVE	KEY PERFORMANCE DELIVERABLE, STANDARDS AND INDICATORS	EXTENT OF ACHIEVEMENT	CHALLENGES ENCOUNTERED	RECOMMENDATIONS
1. Lead, Direct & Manage Staff	a. All staff got clearly defined job descriptions (see HR files) b. All supervisors attends monthly departmental meetings c. Superintendent submits monthly reports	Achieved	N/A	N/A
2. Employment Equity	a. See Municipal HR Framework - circulated to all departments by the HR department	Achieved	Only Africans	Recruitment to also focus on other races
3. Training plans	a. Superintendent organise training on equipment b. Contact HR for their feedback on departmental training	Achieved	N/A	N/A
4. Monitor & Control Budget	a. Operational and Capital budget	Achieved	Refuse trucks and Bulldozer at landfill site breakdown	New equipment to be bought to save
5. Prepare & Submit reports	a. Departmental Monthly Reports submitted to MM b. Departmental reports submitted to Sub-Committees, EXCO & COUNCIL	Achieved	Need to have a way of measuring exact waste disposed	Education for the landfill site supervisor
6. Provide support to the political level	a. As determined by the municipal manager e.g. Budget road shows, IDP Community Participation, etc	Achieved	N/A	N/A
7. Prepare & Implement waste management strategic plans aligned to IDP	a. Waste management planning undertaken for the year 06/08 b. Capital project plan in the IDP	Achieved	Funding to develop a formal waste management plan	Funding to be sources from outside donors
8. Conduct research & innovations solutions to waste management	a. Attended workshops to this effect to gather information on waste management best practice	Achieved	S/A	S/A
9. Overall management of the department & Implementation of Council policies	a. No particular internal / external audit receive pertaining to the department b. Attends Management meetings and cascade information	Achieved	SCM policies	The is an urgent need to train supervisors in this section on SCM
10. Ensure the enforcement of bylaws & prosecution of offenders	a. Correspondence sent to offenders (see Annexure D) b. Correspondence to protection services attached	Achieved	Resistance by people due to poverty	Stricter enforcement is required
11. Provide environmentally acceptable waste management	a. See attached correspondence	Not Achieved	Same as 7 above	Same as 7 above
12. Management of depots and work areas	a. Departmental business plan b. N/A Financial Services (Asset & Fleet Management)	Achieved	N/A	N/A

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	c. Weenen, Wembezi & Estcourt are well managed			
13. Meeting the IDP key Indicators	a. See foreground above	Achieved	N/A	N/A
14. Reduce the infrastructure backlog	a. Road map for waste collection cater for this b. Limited complaints received but are dealt with urgently	Achieved	N/A	
15. Provision for improvement to low income communities	a. Waste management plan underway	Partially achieved	N/A	N/A
16. Manage the complaints received regarding waste issues for them to be reduced	a. Number of complaints received are attached - Annexure J b. Number of complaints received are attached - Annexure J	Achieved	people complain through the media	

9. THE CHALLENGES AND THE RECOMMENDATIONS MOVING FORWARD: SUMMARY

CHALLENGES	RECOMMENDATIONS	2007/2008 ACTION PLAN
1. Financial constrains	❖ The municipality to provide budget for the development of plans and policies	❖ The municipality to source funding
2. Working equipments and tools	❖ Budget to be made available for procurement of tools and equipment	❖ Asset needs analysis ❖ Prioritisation of tools and equipment to be procured
3. Human resource and staff capacity building	❖ Strategic positions to be filled with suitable candidates ❖ The municipality to finalize workplace skills plan	❖ Fill positions as submitted to HR ❖ Implement work place skills plan
4. Urban focus in service delivery	❖ SDF Review to exploits full potential of towns' i.e. ➤ Wembezi as commercial node supported by N3 as the primary corridor and Ntabamhlophe road as the secondary corridor ➤ Weenen as an agricultural node supported by connector road to Ladysmith / Greytown / Pietermaritzburg / Johannesburg	❖ Review SDF ❖ Conduct Land Audit ❖ Develop and Implement Area Plans
5. Lack of municipal ward profile	❖ The GIS need to liaise with DLGTA to obtain maps	❖ Establishment of the forward planning unit
6. Cemetery sites reaching its maximum capacity	❖ Need to identify land of cemetery ❖ Need to finalize LUMS and develop a cemetery plan	❖ Adoption of LUMS ❖ Development of a cemetery plan
7. One licensed landfill site not copying with the	❖ Two mini landfill sites to be identified in Weenen and	❖ The municipality to sort advice from DEAT with regard to

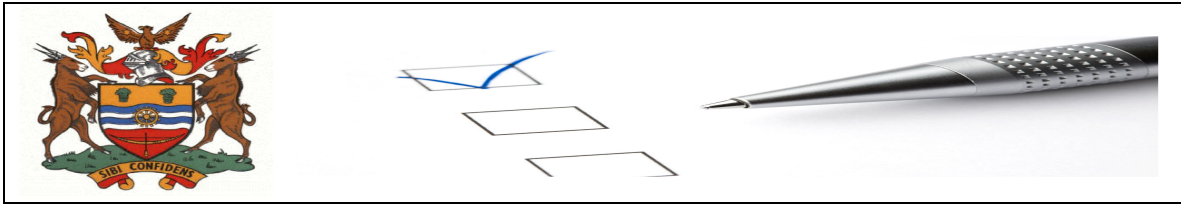
UMTSHEZI MUNICIPALITY



volume of waste and is not meeting department of environmental affairs standard	Wembezi to cater for commercial, domestic/ garden refuse waste.	new sites
8. High health risk caused by the land fill site	❖ Improve fencing and borehole in the existing land fill site	❖ Refer to point 1
9. Lack of capacity to coordinate sport, art, culture, women, youth and disable program	❖ Need to appoint the special programmes coordinator	❖ The municipality to cater for the special program coordinator in the adjustment budget



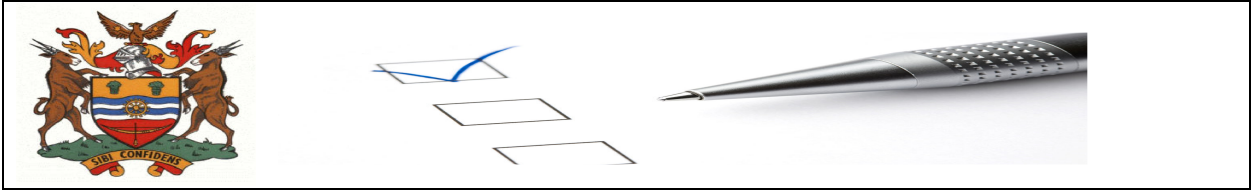
UMTSHEZI MUNICIPALITY



10. CONCLUDING REMARKS

Indeed it has been a challenging and long year, the impetus put together by the members of staff have led to a resounding delivery of municipal services within the limited resources. It has been a year wherein major highlights by the department were achieved i.e. HIV/AIDS planning within the municipality; promoting a healthy lifestyle through sports & recreation; improved environmental health conditions through Keep Umtshezi Clean; upholding environmental standards in terms of waste management; improved access to services by rural people through the CDW programme; maintenance of municipal buildings; improvement in youth & adult persons through library programmes; greenery of our town & surroundings by the parks section; and most importantly cultural & heritage preservation through the museums.

However, working on the foregoing activities has not been an easy task, given the scarcity of human and capital resources. The credit goes to all the Social and Community Services department staff for pulling this off. Support received from other departments, Municipal Manager and Councillors is un-quantify-able. Lastly and most importantly, the functional and geographic community that have kept the department on its toes', in ensuring that their authenticated service is delivered to them unconditional.



ELECTRICITY

It is with great pleasure that I can, on behalf of the Electricity Department submit a Departmental Review report for the past Financial Year. I am proud to say that this department has operated efficiently thus far in the absence of the Director electrical Engineering. This department strives to embrace the vision of Council to deliver services to the community to the best of our ability.

1. Team meetings are done on daily basis where tasks of every member are discussed and planned and in detail with full accountability for work done. Safety in the workplace as well as on site is always stressed to staff and all staff members have been issued with a safety manual.
We are also very proud to mentioned that this department has to date not experienced any major nor minor injuries on duty where staff are concerned.

1. Due to the lack of external training Department only option is to use in-house training and those have been organized either by our own staff or suppliers willing to assist in training needs. Example of such training are :

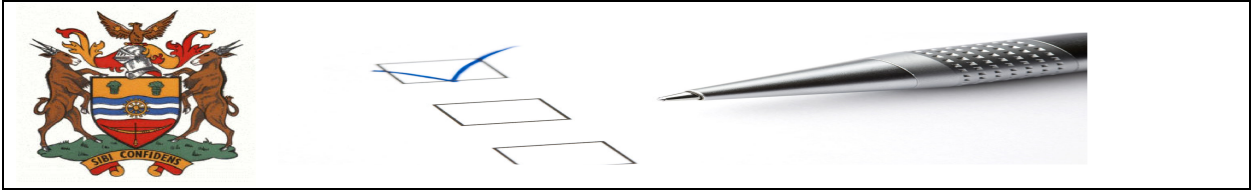
Pre-payment training done by Landis & Gyr

Staff have on several occasions requested to be sent on training not just to better themselves but to also improve in service delivery to the Council but due to lack of funds this is not possible at present. Benefit of training is common as employer and employee benefitted together:

staff are uplifted while employer benefitted by means of increased productivity. This Department has undertaken to continue assisting learners in the electrical field which will benefit both learners as well as the Council as learners receive full training and in the mean time fill the gap of staff shortage for the Department and also contribute to the completion of work. We presently have successfully trained 6 learners who will in August 2007 complete their trade test to become qualified electricians.

The Electrical Department is committed to continue with the training of Artisan Electricians.

3. The Electricity budget have been in line with 5 year Master Electricity Plan and IDP. The Budget is monitored and controlled on several different levels with very strict procedure for expenditure where only authorized persons may approve expenditure after consultation with immediate supervisor. This department has implemented the Supply Chain Management Controls in terms of Council's Policy.
We have developed internal control procedure in that respect and again detail can be explained. Secondly it was ensured that available funding is spent on planned



works as per the 5 year master Electricity Plan and IDP.

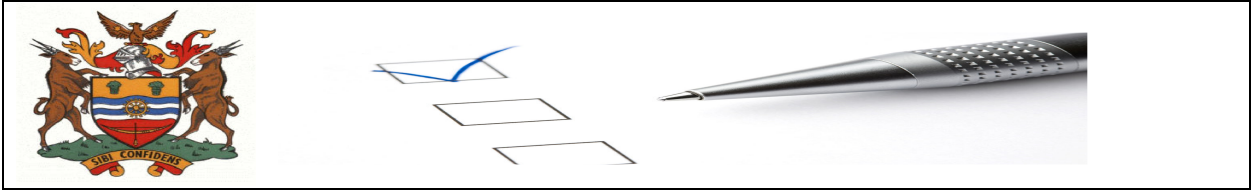
Capital budget has been also completed although some of the equipment is still outstanding from Suppliers due to the long delivery period.

The annual tariff increase is at this stage under revision by NETGroup Consulting Engineers whom will give a presentation to Council and then submit it to NERSA for final approval.

4. The overall responsibility for all activities in Department falls under the Director Electrical Engineering but due to him being on leave for most of the year of 2006/2007 it has become the responsibility of the Deputy Director Electrical Engineering whom is acting in the Director's position, but with the Director still in oversight of major projects. Several different levels of responsibility have also been introduced and is one of the crucial points to achieve good results in the Department as well reporting on different levels with strong emphasis on productivity and accountability. Deadline, quality and safety are one of the most important parts of our management practice in the department. We as a department implement Council's policies in full by means of explaining to staff, reasoning and implementation procedure.
5. An Annual Electricity plan based on the 5 year strategic plan is updated every six months to cover for any unexpected situations in the department and this plan is compiled by the Director Electrical Engineering and discussed with the Deputy Director Electrical Engineering. Regular reporting from various levels with emphasis on deadlines ensures that the plan is executed in full year after year. All major projects are normally fully designed, tendered and implemented by the Director Electrical Engineering.
6. The Director Electrical Engineering being a Professional Engineer has to conduct in-depth research for all projects and particularly point out the application of Preventive Maintenance in the Department. We make use of a number of innovative technologies from data collection, substation automation, metering, protection etc to achieve our main task: uninterrupted quality supply of electricity. We make use of adequate computer programmes which is prerequisite and we are well trained for that and regular Infrared Surveys of the equipment, transformer oil analysis and other innovative methods are used to ensure that Department operates efficiently.
7. Every connection in the system is metered either by credit or by prepayment meters. In case of a faulty meter reported, the meter is replaced immediately as we keep sufficient stock of any meter used in the system and meters are standardized to minimize stock. We are probably one of the few if not the only

Municipality able to regularly on site test credit meters and therefore reduce losses.

8. Tampering with electricity and illegal connections have decreased. We are in the process of doing weekly and monthly inspections not just to clamp down on this problem but to also



inform consumers as to the dangers thereof and also to help them to make their homes and keep their families safe. When inspections are done home owners are given a letter in English

and Zulu that is explained to them and then signed by them to acknowledge that they understood and will adhere to the request of the department.

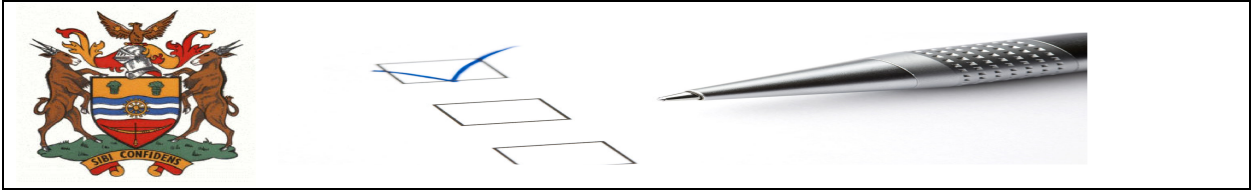
9. We as a department have a number of rules and regulations to ensure proper management of the Electricity Workshop area. This area sets an example on how house keeping and safety is to be conducted. The workshop area is controlled well by the Electricity Department, maintenance of equipment within this area, stock of essential material etc. Vehicle checks are done on daily basis by drivers and weekly by the superintendents and daily time sheets are completed by the staff to keep record of their movements as well as the vehicles, daily tasks that are done and materials used.

Through the use of a preventive maintenance system introduced in this Municipality we have been able to minimize electrical breakdown. We have had no major electricity problems on High and Medium Voltage level except for a cable fault at the Nestle' Factory and due to the fast and efficient work of the staff we repaired the fault within record time. Call-outs from customers with breakdowns are responded to and dealt with speedily and we extended our service beyond our supply point in order to give excellent service.

Major projects during last Financial year besides regular plan maintenance are:

- a) Electrification of Mimosadale Top New Section, mostly done by local contractors and Electricity Department Staff.
 - b) Electrification Wembezi C and D Section mostly done in-house and with assistance from local contractors.
 - c) Esco Feeds Upgrade of power supply
 - d) Boxer substation power upgrade - installation of MV cable
 - e) Kiosk 24 - installation of ring main unit and LV cabling
 - f) Industria Road - installation of MV cable and MV overhead line
 - g) Sub 57 - installation of MV cable to Alexander Street
 - h) Harding Street - Supervalu Supermarket, install mini-sub and MV cables
 - i) Sasko - installation of new circuit breaker and metering equipment
 - j) Sub 40 - remove circuit breaker and ring main unit
 - k) Sub 13 to sub 15 - installation of MV cable and overhead line
 - l) Sub 15 to sub 27 - installation of overhead line and MV cable joints
 - m) Sub 27 - remove circuit breaker
 - n) Sub 13 - Install circuit breaker and connect MV cables
 - o) Major maintenance of meter boxes completed
 - p) Maintenance of street lighting is continued on a daily basis
10. Umtshezi Municipality is probably one of few areas where there is no electrical infrastructure backlog. Every customer in our area of supply is with electrical connection. From 01 July 2006 the following amount of electrical connection have been done, mostly people from low-income areas:

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Mimosadale Tp New Section - 599 new connections
Wembezi C. Section - 245 New connections

Wembezi D Section - 56 new connections

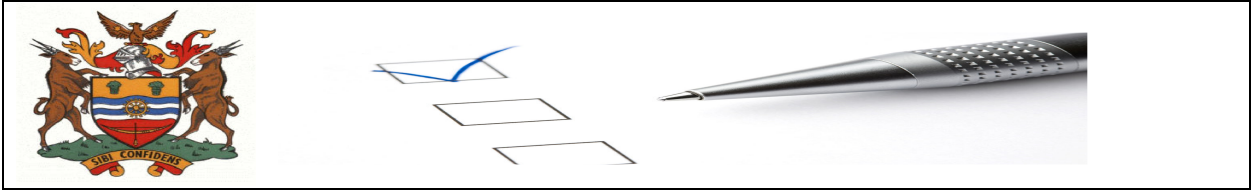
Total connections = 900

Ward councillors from these areas can confirm satisfaction from the communities in this regard.

11. Due to the present work load which will only increase in the future the following hampers the department from delivering excellent service to the community:

- C Aging vehicle fleet of the department
- C Staff vacancies in the department not being filled
- C Staff compliment has not grown with the growth in electricity demand from the community

This concludes our report and we hope that it is to your satisfaction.



AUDITOR'S REPORT

REPORT OF THE AUDITOR-GENERAL TO THE MUNICIPAL COUNCIL AND KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF UMTSHEZI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007.

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of uMtshezi Municipality which comprise the balance sheet as at 30 June 2007, Income Statement and cash flow statement for the year then ended, ad a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages to .

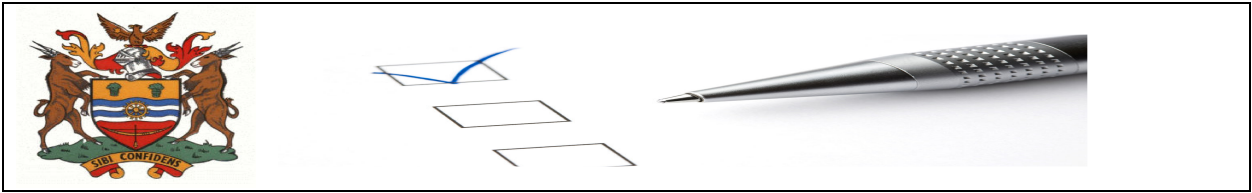
Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial in accordance with the entity-specific basis of accounting, as set out in accounting policy 1.1 to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes:
 - ❖ Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - ❖ Selecting and applying appropriate accounting policies
 - ❖ Making accounting estimates that are reasonable in the circumstances

Responsibility of the Auditor-General

3. As required by Section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126 (3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

UMTSHEZI MUNICIPALITY



5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:

- ❖ Appropriateness of accounting policies used
- ❖ Reasonableness of accounting estimates made by management
- ❖ Overall presentation of the financial statements.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on the entity specific basis of accounting as set out in accounting policy 1.1.

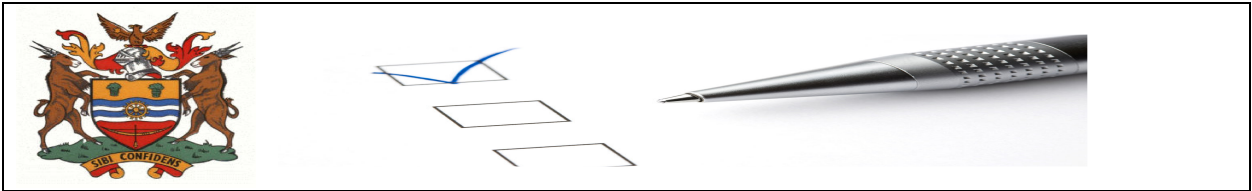
Basis for qualified report

9. Leave provision

In terms of section 7(4) of SALBC agreement leave accumulated subsequent to 1 January 2004 may be accumulated to a maximum of forty – eight (48) days. However, it was noted that employees have accumulated more than 48 days and leave provision was calculated on the total leave balances although some balances were more than 48 days resulting in leave provision and accumulated deficit being overstated.

10. Debtors

Included in current debtors is the amount of R4, 7 million due by Uthukela District Municipality. However, this amount was not disclosed in the annual financial statements of the District Municipality as the amount is currently in dispute.



11. Qualified Opinion

In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements of uMtshezi Municipality as at 30 June 2007 and its financial performance and cash flows for the year then ended have been prepared in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1.1 and in the manner required by the MFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

12. Non compliance with applicable legislation

12.1 Budget

In terms of section 15 of the MFMA a municipality may only incur expenditure in terms of the approved budget and within the limits of the amounts appropriated for the different votes in an approved budget. However, it was noted that the budget was exceeded by R6, 5 million.

Fraud prevention plan

Section 62 of the MFMA requires the accounting officer to ensure that the municipality has and maintains effective, efficient and transparent systems of financial risks management. However, there was no fraud prevention plan in place to prevent and detect fraud and to mitigate specific fraud risks during the year under review.

Overtime Management

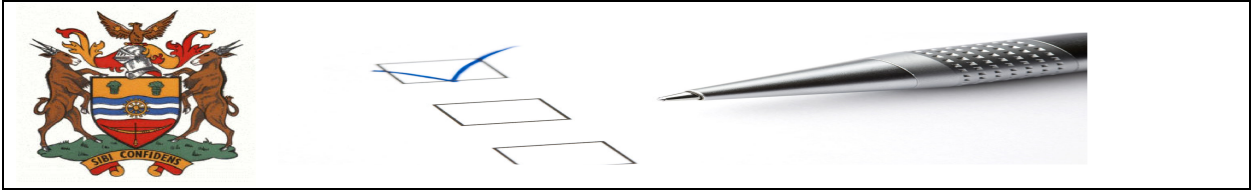
In terms of the section 10 of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997) an employer may not require or permit an employee to, inter alia, work overtime except in accordance with an agreement and to work more than 10 hours overtime a week. However, it was noted that some employees worked more than 40 hours per month overtime.

13 Matters of Governance

13.1 Internal Audit

Section 165 of the MFMA requires the municipality to establish an internal audit function. However, the following shortcomings with respect to the internal audit function were noted:

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- ❖ An internal audit charter was not in place.
- ❖ No annual internal audit plan was prepared.
- ❖ There were limited audits conducted during the financial year.
- ❖ No annual internal audit reports were issued during the year.

Audit Committee

In terms of S166 (2) of MFMA, each municipality must have an audit committee unless there is a single audit committee established as per section 166 (6). However, there was no effective audit committee in place for the year under review.

Supply Chain Management

The municipality did not comply with Sections 112 and 115 (b) of the MFMA and regulation 7 (1) of the supply chain management regulations, as the municipality has not established a supply chain management unit. Consequently, all the duties of the supply chain management unit were performed by the Finance Section.

Material corrections made to financial statements submitted for audit

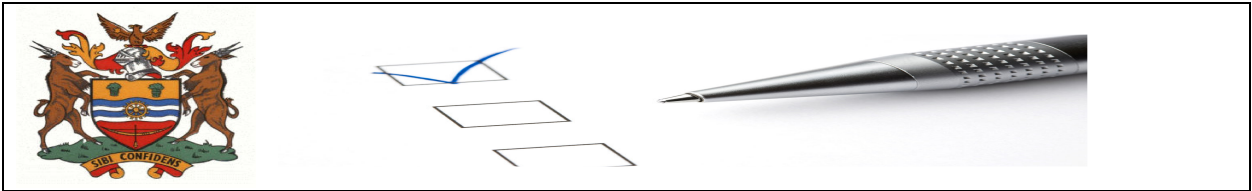
The financial statements, approved by the accounting officer and submitted for audit on 31 August 2007, have been significantly revised in respect of the following material misstatements identified during the audit:

- ❖ Accruals were not raised for various expenses, this had the effect of understating creditors and expenses by R5.84 million.
- ❖ Expenditure not yet incurred was incorrectly accrued resulting in fixed assets and expenditure being overstated and bank being understated by R686 954.
- ❖ A provision was not created for a long outstanding debtor. This resulted in debtors being overstated and provision for bad debts being understated by R4, 678 million.

Internal Control

Section 62(1) (c) (i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root

causes of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies exist in more than one internal control component.



Reporting Item	Control Environment	Assessment of Risks	Control Activities	Information and communication	Monitoring
Basis for disclaimer of opinion					
Leave Provision					X
Debtors			X		
Other Matters					
Non-compliance		X			X
Matters of governance		X			

Unaudited supplementary schedules

The supplementary information set out on page does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on it.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

I was engaged to audit the performance information.

Responsibility of the accounting officer for the performance information

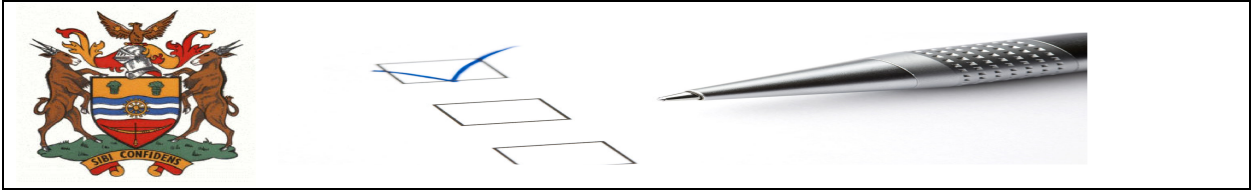
In terms of section 121 (3) (c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor General

I conducted my engagement in accordance with section 13 of the PAA read with General Notice 646 of 2007, issued in *Government Gazette No. 646 of 25 May 2007* and section 45 of MSA.

In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgment.

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I believe the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-Compliance with regulatory requirements

No reporting of performance information

Annual performance report of the municipality prepared in terms of Section 46 of the MSA, was not produced for audit purposes.

Existence and functioning of a performance audit committee

The Municipality did not appoint and budget for a performance audit committee.

Internal auditing of performance measurements

The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal auditing processes as required in terms of section 45 of the MSA.

APPRECIATION

The assistance rendered by the staff of the uMtshezi Municipality during the audit is sincerely appreciated.

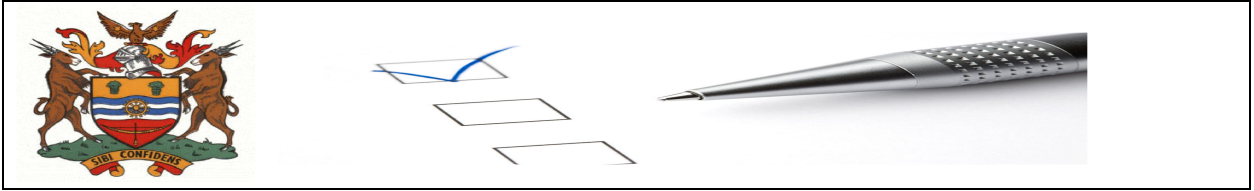
Pietermaritzburg

30 November 2007



AUDITOR - GENERAL

UMTSHEZI MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS



UMTSHEZI MUNICIPALITY

REPORT OF THE CHIEF FINANCIAL OFFICER

1) INTRODUCTION

The vision of this municipality is "By 2020, uMtshezi Local Municipality will be a champion of a sustainable and safe environment". In order for the above to be achieved, it will take an all inclusive approach which requires the active involvement of business community, civil society, and the municipality to make it happen for all.

The local sphere of government is required to adapt to numerous changes which are aimed at ensuring more accountability, efficiency, effective and cost effective service delivery, this should happen within very limited resources both financial and human resource wise. Following is the summarised issues which are reflected by the annual financial statements.

The deficit is mainly contributed by the attempted conversion to GRAP/GAMAP which was not finished, and as such the actual presentation of financials and the budget process was not aligned e.g. capital charges was never budgeted for with hope to provide for depreciation, which was also under - budgeted for.

The current year deficit of R 14 550 239 and appropriation of R 2 470 426 have resulted in a deficit of R 17 020 664 which increased the accumulated deficit of R 4 694 713 at 30 June 2006 to R 21 715 377 at 30 June 2007.

An investment with Liberty Life is being investigated by the Special Investigation Unit, since its validity could not be confirmed, a debtor to the figure in question (R 750 000) has been transferred to Debtors until such time that this issue is resolved. A provision has also been raised to be prudent.

2) OPERATING RESULTS

Details of the results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2007 are as follows :

INCOME	Actual 2005/06 R	Actual 2006/07 R	Variance Actual/ Budget %	Budget 2006/07 R	Variance Actual/ Budget %
Opening Surplus	174,291	-			
Operating Income for the Year	92,817,087	98,250,857	6%	93,289,429	5%
Sundry Transfers	(5,343,902)	(2,470,426)			
	87,647,476	95,780,431		93,289,429	
EXPENDITURE					
Opening Deficit	-	(4,694,713)			
Operating Expenditure	92,342,189	112,801,096	18%	93,289,429	21%
Closing Surplus/(Deficit)	(4,694,713)	(21,715,377)			
	87,647,476	95,780,431		93,289,429	

2.1) RATES & GENERAL

	Actual 2005/06 R	Actual 2006/07 R	Variance Actual/ Budget %	Budget 2006/07 R	Variance Actual/ Budget %
Income	44,043,441	47,270,268	7%	48,697,429	-3%
Expenditure	43,908,626	57,163,274	30%	38,380,222	49%
Surplus/(Deficit)	134,815	(9,893,006)	-7438%	10,317,207	-196%
Surplus (Deficit) as % of Total Income	0%	-21%		21.19%	

2.2) HOUSING SERVICES

	Actual 2005/06 R	Actual 2006/07 R	Variance Actual/ Budget %	Budget 2006/07 R	Variance Actual/ Budget %
Income	230,150	233,440	1%	-	0%
Expenditure	46,458	26,307	-43%	-	0%
Surplus	183,692	207,133	13%	-	0%
Surplus as % of Total Income	79.81%	88.73%			

2.3) TRADING SERVICES: ELECTRICITY

	Actual 2005/06 R	Actual 2006/07 R	Variance Actual/ Budget %	Budget 2006/07 R	Variance Actual/ Budget %
Income	48,543,496	50,747,149	5%	48,512,000	5%
Expenditure	48,387,104	55,611,515	15%	44,044,327	26%
Surplus/(Deficit)	156,392	(4,864,366)	-3210%	4,467,673	-209%
Surplus (Deficit) as % of Total Income	0.32%	-9.59%			

3) CAPITAL EXPENDITURE AND FINANCING

	Actual 2006/07	Budget 2006/07	Variance Actual/Budget
CAPITAL EXPENDITURE			
Rates & General services	2,717,716	9,024,000	-70%
Water	5,692,346	5,650,000	1%
	8,410,062	14,674,000	-43%
FINANCING OF THE FIXED ASSETS			
Loans Redeemed	-	-	-
Contributions from Current Income	4,103,392	7,749,000	-47%
Grants and Subsidies	4,306,670	6,925,000	-38%
	8,410,062	14,674,000	-43%

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is included in appendix C. More details regarding external loans and internal advances used to finance fixed assets are shown in appendix B.

4) EXTERNAL LOANS, INVESTMENTS AND CASH

External Loans outstanding on 30 June 2005 amounted to R 7 200 as set out in Appendix B.

Investments amounted to R 44 779 321 on 30 June 2007.

The bank balance amounted to R 5 252 432 on 30 June 2007.

More information regarding loans and investments is disclosed in notes 4 and 7 and appendix B to the financial statements.

5) FUNDS AND RESERVES

6

The Capital Development Fund has increased by R 2 358 326 to R 68 597 290. No advances were raised. during the yea have been granted to borrowing services while R 623 475 has been repaid. The total advances to borrowing services amounted to R 38 373 366 as at 30 June 2007.

More information regarding funds and reserves is disclosed in notes 1, 2, 28 and 29 and appendix A to the financial statements.

6) POST BALANCE SHEET EVENTS

At the date the annual financial statements were signed, no post balance sheet events came to light.

7) EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Councilor's, the Municipal Manager and Heads of Departments for their support during the past year. A special word of thanks to the staff of the Treasury Department for their support and loyalty.

J N MADONDO

DATE

ACTING CHIEF FINANCIAL OFFICER

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

- 1.1 These Financial Statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice (1997) and Report on Published Annual Financial Statements (Second Edition – January 1996).
- 1.2 The Financial Statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy, Note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The Financial Statements are prepared on the accrual basis:
Income is accrued when measurable and available for Finance operations. Certain direct income is accounted for when received, such as traffic fines and certain licenses.
Expenditure is accrued in the year it is incurred.

2. CONSOLIDATION

The Financial Statements include the Rate and General Services, Housing Service, Trading Services and the different Funds and Reserves. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity, water and premiums charged by the Insurance Fund, which are treated as Income and Expenditure in the respective departments.

3. FIXED ASSETS

3.1 Fixed Assets are stated:

- At historical cost, or
- At valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation or repossession, while they are in existence and fit for use.

3.2 Depreciation

The balance shown against the heading “Loans Redeemed and Other Capital Receipts” in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this provision, assets are written down over their estimated useful life. Apart from advances from the various internal funds, assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the “Loans Redeemed and Other Capital Receipts” account.

3.3 All net proceeds from the sale of all other assets are credited to the Capital Development Fund.

3.4 Fixed Assets are financed from different sources, including external loans, operating income, contributions and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4. INVENTORY

Inventory is valued at cost, determined on the weighted average basis.

5. FUNDS AND RESERVES

5.1 Capital Development Fund

The Local Authorities Ordinance No. 25 of 1974, requires a minimum contribution of 3,0 percent of Revenue Income of a local authority for the financial year. One half of all interest earned by this fund remains in the fund and the other half is credited to the appropriate revenue account.

5.2 Loan Redemption Fund

The redemption of Estcourt stock is provided for the annual contribution, from borrowing accounts calculated on the estimated lifespan of assets acquired, in equal installments. Internal loans are repaid in relation to the lifespan of the asset. Redemption on government loans is paid half yearly on an annuity basis.

5.3 Public Improvement Fund

The Local Authorities Ordinance No.25 of 1974, stipulates that this fund be maintained in respect of all property belonging to the Municipality, which is not utilized for a specific purpose relating to the provision of services. Fifty percent of all interest earned by this Fund is credited to Rate and General Services Revenue account.

5.4 Reserves

5.4.1 Vehicle Insurance Reserve

A reserve is maintained to provide for minimum payments due in respect of Insurance claims, and replacement (if necessary).

5.4.2 Repairs and Maintenance Reserve

This reserve is maintained to provide for extraordinary expenditure required on repairs to Buildings, Plant and Vehicles.

5.4.3 Estate Reserve

A reserve is maintained to provide for repairs and maintenance to houses held as assets of the Rate and General Services.

5.4.4 Dedicated Housing Account

In terms of Council Resolution No.373.8.94 (para 3) contributions to the Rental Loss and Community Facilities Reserve were suspended, but a Maintenance Reserve is still maintained and paid to the Dedicated Housing Account.

6. EMPLOYEE BENEFIT FUNDS

6.1 Joint Municipal Pension Funds (Superannuation, Retirement Fund and Provident Fund)

The Umtshezi Municipality and its employees contribute to the Kwa-Zulu Natal Joint Municipal Pension Fund and its Councilors to the Municipal Councilors Pension Fund, which provides retirement benefits to such employees and Councilors.

The Retirement Benefit Plan is subject to the Pensions Fund Act, 1956, with pensions being calculated on the final pensionable remuneration paid.

Current contributions are charged against operating income on the basis of current service costs. Unfavourable experience adjustments and the costs of securing increased benefits are written off over the lesser of the remaining period of service of employees, or five years. Favourable experience adjustments are retained in the Retirement Benefit Plan.

Full actuarial valuations are performed at least every three years.

6.2 The Umtshezi Municipality and its employees contribute to Key health Medical Aid, which provides Medical Aid benefits to employees.

The Medical Aids are subject to the Local Authorities Ordinance (Natal) No 25 of 1974. Current contributions are charged against operating income on the basis of current service costs.

7. SURPLUSES AND DEFICITS

Any surplus or deficit arising from the operation of the various services is retained in those services for their own use. A contribution in relief of Rates is effected from Electricity Service to Rate and General Service. Any surplus or deficit on the Housing Service is accounted for against Government Subsidy on the various schemes.

8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES.

The costs of internal support services are transferred to the different services in accordance with the estimated time spent and cost of facilities used.

9. LEASED ASSETS

Leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

10. INVESTMENTS

Investments are shown at the lower of cost or market related value if a permanent decline in the value occurred and are invested as per Local Authorities Ordinance No.25 of 1974.

11. INCOME RECOGNITION

11.1 Electricity and Refuse Billings

Meters on all properties are read and billed monthly.
Refuse is collected from properties weekly.

11.2 Assessment Rates

The Umtshezi Municipality applies a differential rating system. In terms of this system the assessment rates are levied on the Land, building and Building Clause value of property and rebates are granted according to the zoning and the area in which a property is located.

BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2006/2007 R	2005/2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		90,810,662	87,519,697
Statutory Funds	1	89,153,568	85,893,287
Reserves	2	1,657,094	1,626,410
Trust Funds	3	-	-
RETAINED INCOME	18	(21,715,377)	(4,694,713)
		69,095,284	82,824,984
LONG-TERM LIABILITIES	4	7,200	7,200
CONSUMER DEPOSITS: SERVICES	5	1,669,827	1,647,607
		70,772,311	84,479,791
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	36,890,512	40,812,547
INVESTMENTS	7	2,472,528	3,265,200
LONG-TERM DEBTORS	8	1,763,679	2,086,203
		41,126,719	46,163,950
NET CURRENT ASSETS/LIABILITIES		29,645,592	38,315,841
CURRENT ASSETS			
		97,628,732	67,543,720
Inventory	9	772,613	601,628
Debtors	10	48,705,598	51,218,049
Bank and cash	11	5,252,432	5,479
Short term portion of long-term debtors	8	591,297	58,564
Short-term investments	7	42,306,793	15,660,000
CURRENT LIABILITIES			
		67,983,141	29,227,879
Provisions	12	1,889,754	1,560,340
Creditors	13	66,093,387	25,934,347
Bank overdraft	11	-	1,733,192
		70,772,311	84,479,791

.....
MUNICIPAL MANAGER

.....
CERTIFIED AS CORRECT

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/2006 Actual Income <i>R</i>	2005/2006 Actual Expenditure <i>R</i>	2005/2006 Actual Surplus/ (Deficit) <i>R</i>		2006/2007 Actual Income <i>R</i>	2006/2007 Actual Expenditure <i>R</i>	2006/2007 Actual Surplus/ (Deficit) <i>R</i>	2006/2007 Budgeted Surplus/ (Deficit) <i>R</i>
44,043,441	43,908,627	134,815	RATES AND GENERAL SERVICES:	47,270,268	57,163,274	(9,893,006)	1,665,032
36,410,660	36,497,107	(86,446)	Community services	42,031,271	49,604,594	(7,573,323)	5,861,567
1,086,625	2,268,445	(1,181,820)	Subsidised services	1,554,499	2,188,954	(634,455)	(1,314,079)
6,546,156	5,143,075	1,403,081	Economic services	3,684,498	5,369,726	(1,685,228)	(2,882,456)
230,150	46,458	183,692	HOUSING SERVICES	233,440	26,307	207,133	
48,543,496	48,387,104	156,392	TRADING SERVICES:	50,747,149	55,611,515	(4,864,366)	(1,556,852)
			Electricity	50,747,149	55,611,515	(4,864,366)	(1,556,852)
				-	-	-	-
92,817,087	92,342,189	474,899	TOTAL	98,250,857	112,801,096	(14,550,239)	108,180
		(5,343,903)	Appropriation for this Year (Refer NOTE 18)			(2,470,426)	
		(4,869,004)	Net (Deficit) for the Year			(17,020,664)	
		174,291	Accumulated Surplus beginning of the year			(4,694,713)	
		(4,694,713)	ACCUMULATED DEFICIT END OF THE YEAR			(21,715,377)	

UMTSHEZI MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED
30 JUNE 2007

	Note	2007 R	2006 R
CASH GENERATED/(UTILISED) IN OPERATING ACTIVITIES		40,948,305	(6,074,448)
Cash (utilised)/generated by operations	19	(8,254,665)	3,263,142
Investment income		2,247,490	2,525,362
Increase/(Decrease) in working capital	20	31,689,278	(16,386,341)
		25,682,103	(10,597,837)
<u>Less</u> : External Interest Paid		-	
Cash generated/(utilised) in operations		25,682,103	(10,597,837)
Cash contributions from the public and the state		15,266,202	4,457,817
Net proceeds on disposal of fixed assets		-	65,572
CASH UTILISED IN INVESTING ACTIVITIES		(8,114,038)	(6,647,662)
Long-term debtors		322,524	
Investments in Fixed assets		(8,436,562)	(6,647,662)
NET CASH INFLOW/(OUTFLOW)		32,834,267	(12,722,110)
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase(Decrease) in Long-term loans	21	-	
(Increase)/Decrease in Investments	23	(25,854,121)	11,084,000
(Increase)/decrease in cash and cash equivalents	24	(6,980,145)	1,638,110
NET CASH (UTILISED)/GENERATED		(32,834,267)	12,722,110

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2006/2007	2005/2006
		15
1 Accumulated Funds		
Public Improvement Fund	19,229,296	18,205,677
Dedicated Housing Account	1,325,190	1,447,755
Load Redemption Fund	1,792	891
Capital Development Fund	68,597,290	66,238,964
(Refer to appendix A for more details)	89,153,568	85,893,287
2 Reserves		
Estates	174,325	171,097
Repairs and Maintenance	1,026,164	1,007,162
Vehicle Insurance Fund	456,605	448,150
(Refer to appendix A for more details)	1,657,094	1,626,410
3 Trust funds		
	-	-
4 Long Term Liabilities		
Local Registered Stock	7,200	7,200
(Refer to appendix B for more detail on Long-term Liabilities)		
Local Registered stock carries interest at 10% per annum and is REpayable on 30/06/2013		
5 Consumer Deposits		
Electricity	1,669,827	1,647,607
Guarantees held in lieu of Electricity Deposits are R 2 323 079 (2006: 2 323 0790)		
6 Fixed Assets		
Fixed assets at the beginning of the year	117,287,295	110,871,507
Capital Expenditure during the year	8,436,562	6,647,662
Less : Assets written off, transferred or disposed of during the year	995,268	231,874
Total Fixed Assets	124,728,588	117,287,295
Less : Loans Redeemed and Other Capital Receipts	87,838,077	76,474,748
Net Fixed Assets	36,890,512	40,812,547
(Refer to Appendix C for more details)		
7 Investments		
Unlisted:		
Long-term	2,472,528	3,265,200
Other	42,306,793	15,660,000
	44,779,321	18,925,200
Average Rate of Return on Investments	4.00%	6.50%
Section 13 of the Municipal Finance Management Act No56 of 2003, requires local authorities to invest funds which are not immediately required, with prescribed institutions.		
Investments amounting to R64 493 are pledged as security with Financial Institutions for funding of housing loans to staff members.		
No investments were written off during the year.		
The long-term unit trust investment with Liberty Life is valued at R 2 965 989.74 as at 30 June 2006.		
Account description: Investments (MFMA Requirements)		
Investments Bank Account		
Absa Bank Escourt Branch		
Account number: 9106646490		
Bank statement balance at the beginning of the year	2,000,000	
Bank statement balance at the end of the year	2,138,394	2,000,000
Investments Bank Account		
First National Bank Escourt Branch		
Account number: 71021254116, 71048724530, 71066697123, 62033811995, 74029698170, 74081225309, 74142860044		
Bank statement balance at the beginning of the year	13,690,000	
Bank statement balance at the end of the year	40,137,735	13,690,000
Investments Bank Account		
NedBank Escourt Branch		
Account number: 4350193735		
Bank statement balance at the beginning of the year	10,000	
Bank statement balance at the end of the year	15,464	10,000
Investments		
Borough of Dundee		
Certificate number: 236		
Certificate balance at the beginning of the year	15,200	
Certificate balance at the end of the year	15,200	15,200

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

2006/2007

2005/2006

16

Investments

Liberty Life

Account number: 13370619, 13961202

Statement balance at the beginning of the year
Statement balance at the end of the year

3,210,000	3,210,000
2,472,528	3,210,000
44,779,321	18,925,200

TOTAL INVESTMENTS:

8 Long Term Debtors

Land Sale loans
Add: Housing and other loans

1,094,245	858,986
1,260,730	1,285,781
2,354,976	2,144,767
591,297	58,564
1,763,679	2,086,203

Less: Short term portion of of long-term debtors transferred to current assets

9 Inventory

Inventory represents consumable stores, raw materials and finished goods. Where necessary, specific provision is made for obsolete inventory.

772,613	601,628
----------------	----------------

10 Debtors

Current debtors - rates and consumer
Amounts paid in advance
Accrued Income
Sundry debtors

62,194,037	57,676,490
332,476	1,567,394
3,705,636	
66,232,149	59,243,884
750,000	
16,776,551	8,025,835
48,705,598	51,218,049

Less: Provision for doubtful debts: other
Less: Provision for doubtful debts

% Debtors of Total Operating Income

50%

55%

Bad debts to the value of R 14819.74 were written off for the year.

11) Bank and cash

Main bank account/(Overdraft)
Cash on hand

5,247,879	(1,733,192)
4,553	5,479

Account description: Investments (MFMA Requirements)

First National Bank Escourt Branch

Account number: 52200363994

Statement balance at the beginning of the year
Statement balance at the end of the year

211,395	
825,296	211,395

12 Provisions

Leave accumulation (see note 25)
Audit Fees
Provision for doubtful debts: other
Provision for doubtful debts

1,369,754	1,206,035
520,000	354,305
750,000	
16,776,551	8,025,835
19,416,305	9,586,175
17,526,551	8,025,835
1,889,754	1,560,340

Less :Provision for doubtful debts transferred to Debtors (Note 9)

13 Creditors

Trade creditors
Deposits
Sundry creditors
Housing Projects
Amounts received in advance

19,310,639	6,240,690
19,518	13,668
1,182,118	-
38,926,690	
6,654,422	19,679,989
66,093,387	25,934,347

14 Assessment rates

Rateable Land, Buildings and Building Clauses

Site valuations as
at 1 July 2006

	R		
Residential	279,964,700	9,790,858	8,923,129
Commercial	102,225,797	-	-
Industrial	19,509,300	9,191,109	8,376,533
Other	58,114,403	2,596,061	2,365,981
Total	459,814,200	21,578,028	19,665,643

Valuations on land and buildings are performed every 5 years and the last valuation came into effect in 1 July 1996 in Escourt and Wembezi and on 1 July 1997 in Weenen. The basic rate was 0.406560 per rand on land and 0.010154 per rand on buildings in Escourt and Wembezi and rebates granted were 60% on Residential and 50% on Agricultural properties.

In Weenen the basic rates are: 0.020218 per rand for Agriculture and Grazing, 0.28006 per rand for Parks Board, 0.04422 per rand for Hospital, Administration and Education, 0.28006 per rand for Commercial and Light Industry and 0.03795 per rand for General Residential properties.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2006/2007	2005/2006
		17
15 Councillor's Remuneration		
Mayor's Allowance	326,019	179,430
Deputy Mayor's Allowance	260,816	143,544
Councillors	1,112,543	405,277
Speaker allowance	260,816	143,544
Medical Aid contributions		
Pension fund contributions for councillors	372,275	119,689
Allowances	653,385	396,442
	2,985,854	1,387,926
Municipal Manager	675,830	451,000
Departmental Directors	1,868,771	1,624,000
Pension Fund Contributions	108,718	110,108
	2,653,319	2,185,108
16 Auditor's Remuneration		
Audit Fees	481,493	301,595
Underprovision - Prior year		
	481,493	301,595
17 Finance Transactions		
Total external interest earned or paid :		
Interest earned	2,247,490	1,288,160
Interest paid	-	-
Capital Charges debited to operating account :		
Interest :	3,839,827	3,987,733
External	3,839,827	3,987,733
Internal		
Redemption :	2,984,818	3,166,177
External	2,984,818	3,166,177
Internal		
	6,824,645	7,153,910
18 Appropriations		
Appropriation account :		
Accumulated surplus at the beginning of the year	(4,694,713)	174,291
Appropriations for the year	(17,020,664)	(4,869,004)
Prior year adjustments	(2,470,426)	(5,343,903)
Operating surplus/(deficit) for the year	(14,550,238)	474,899
Accumulated surplus at the end of the year	(21,715,377)	(4,694,713)
Operating account		
Capital expenditure	4,129,892	42,147
Contributions to :	10,146,490	4,015,012
Capital development fund	-	2,594,500
Reserves	-	-
Audit fee provision	640,504	-
Leave pay provision	140,966	-
Bad debts provision	9,364,119	1,418,000
Loan Redemption Fund	901	820
Dedicated Housing Account	-	1,692
	14,276,381	4,057,159

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

19 **Cash(utilised) generated by operations**

2006/2007

2005/2006

18

(Deficit)/Surplus for the year

Adjustments for :

Previous year's operating transactions

Appropriations charged against income :

Capital development fund

Fixed Assets

Provisions & Reserves

Dedicated Housing Account

Loan Redemption Fund

Capital Charges

* Interest paid

- To internal funds

- On external Loans

* Redemption

- On internal advance

- On external Loans

Investment income charged to operating account

Non operating income

- Government and Provincial grants and subsidies

- Credited to Funds, Provisions and Reserves

Non-operating expenditure:

- Debited to Funds

- Debited to Provisions and Reserves

Amount To Cashflow Statement

(14,550,239)	474,899
(2,470,426)	(5,343,903)
14,276,381	4,057,159
-	2,594,500
4,129,892	42,147
10,145,589	1,418,000
-	1,692
901	820
4,904,731	7,153,910
1,919,914	3,987,733
1,919,914	3,987,733
-	-
2,984,818	3,166,177
2,984,818	3,166,177
-	-
(1,212,062)	(2,525,362)
(8,524,356)	456,278
(10,159,532)	-
1,635,176	456,278
(678,695)	(1,009,839)
(182,382)	(1,009,839)
(496,313)	-
(8,254,665)	3,263,142

20 **(Decrease)/(Increase) In Working Capital**

(Increase)/Decrease in Inventory

(Increase)/(Increase) in Debtors

(Increase) in Short-term portion of long-term debtors

Increase/(Decrease) in Creditors, Consumer deposits

Amount To Cashflow Statement

(170,985)	36,343
(6,988,264)	(7,459,333)
(532,733)	-
39,381,260	(8,963,351)
31,689,278	(16,386,341)

21 **Increase/(Decrease) in Long term liabilities**

- Loans raised

- Loans repaid

Amount To Cashflow Statement

-	-
-	-
-	-

22 **(Decrease)/Increase in Short term borrowings comprises**

- Loans raised

- Loans repaid

Amount To Cashflow Statement

-	-
-	-
-	-

23 **(Increase)/Decrease in cash investments comprises :**

- Investments realised

- Investments made

Amount To Cashflow Statement

42,354,203	60,884,000
(68,208,324)	(49,800,000)
(25,854,121)	11,084,000

24 **(Increase)/Decrease in Cash and Cash Equivalents :**

- Balance at beginning of year

- Balance at end of year

Amount To Cashflow Statement

(1,727,713)	(89,603)
5,252,432	(1,727,713)
6,980,145	(1,638,110)

25 **Contingent Liabilities and Contractual Obligations**

Guarantees by Council in respect of Building Society and Commercial Banks

Housing loans to officials

At the time of the completion of the annual financial statements, there appears to be no litigations in progress

It is Council's policy to carry a reserve of 50% of outstanding leave. The provision amounts to R 1 369 754 as at 30 June 2007 and the accumulated was R 2 739 507.

64,493	50,000
64,493	50,000

26 **Capital Commitments**

Approved and contracted for

Approved but not yet contracted for

14,920,491	14,574,000
14,920,491	14,574,000

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

2006/2007

2005/2006

19

This expenditure will be financed from:

Internal Sources
External Sources

3,550,925	7,749,000
11,369,566	6,825,000
14,920,491	14,574,000

27 Retirement benefits

The last actuarial valuation of the NJMP Funds was done as at 31 March 2004. This valuation disclosed a surplus of R 203 170 million for the Provident Fund and deficits of R 130 817 million for the Superannuation Fund and R 208 438 million for the Retirement Fund. A valuation of the MCPF for the period ended 30 June 2000 reflects a surplus of R 261.719 million.

28 Capital Development Fund

Accumulated Funds
Less: External investments
Outstanding advances to borrowing services

68,597,290	66,238,964
(34,314,674)	(29,625,025)
34,282,616	36,613,939

(refer to appendix A & B for more detail)

29 Public Improvement Fund

Accumulated Funds
Less: External investments
Value of assets
Debtors
Outstanding advances to borrowing services

19,229,296	18,205,676
12,564,453	11,556,718
3,049,160	3,080,709
1,094,245	858,986
2,521,437	2,709,263

(refer to appendix A & B for more detail)

30 Fruitless and wasteful expenditure

At the time of the completion of the annual financial statements, there appears to be no fruitless and wasteful expenditure

31 Unauthorised expenditure

At the time of the completion of the annual financial statements, unauthorised expenditure of R 15 324 651 was incurred due to over spending on budgeted operating expenditure.

	Actual	Budget	Over spent
- Salaries, Wages and Allowances	34,355,215	30,743,640	3,611,575
- General Expenses	54,992,103	52,073,519	2,918,584
- Contributions	10,146,490	1,351,998	8,794,492
	99,493,808	84,169,157	15,324,651

ACCUMULATED FUNDS, TRUST FUNDS, PROVISIONS AND RESERVES

	Balance at 2006-06-30	Contributions during the Year	Interest on Investments	Other Income	Expenditure during the Year	Balance at 2006-06-30
ACCUMULATED FUNDS						
Public Improvement Fund	18,205,676	-	358,163	691,956	26,500	19,229,296
Dedicated Housing Account	1,447,755	-	27,315	6,002	155,882	1,325,190
Loan Redemption Fund	891	901				1,792
Capital Development Fund	66,238,964	-	2,358,326			68,597,290
Total	85,893,287	901	2,743,804	697,958	182,382	89,153,568
RESERVES						
Estates	171,097		3,228			174,325
Repairs and Maintenance	1,007,162		19,002			1,026,164
Vehicle Insurance	448,150		8,455			456,605
	1,626,410	-	30,685	-	-	1,657,094
TRUST FUNDS						
						-
	-	-	-	-	-	-
PROVISIONS						
Audit Fees	354,305	640,504	6,684		481,493	520,000
Leave	1,206,035	140,966	22,753			1,369,754
Total	1,560,340	781,470	29,437	-	481,493	1,889,754
TOTAL	89,080,037	782,371	2,803,926	697,958	663,875	92,700,416
Bad Debts - other		750,000				750,000
Bad Debts - consumer	8,025,835	8,614,119	151,417		14,820	16,776,551

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	%	Period of loan	Repayment date	Balance 2006-06-30	Received during the Year	Redeemed, written off during the Year	Balance 2007-06-30
<i>Local Registered Stock</i>							
Endumeni Municipality	10		2013/06/30	7200			- 7,200 -
				7,200	-	-	7,200

INTERNAL ADVANCES TO BORROWING SERV.	Balance 2006-06-30	Received during the Year	Redeemed, written off during the Year	Balance 2007-06-30
Capital Development Fund	36,613,936	-	2,331,320	34,282,616
Loan Redemption Fund	-	-		-
Public Improvement Fund	2,709,263	-	187,826	2,521,437
Revenue Account	2,034,985	-	465,671	1,569,314
	41,358,184	-	2,984,818	38,373,366

ANALYSIS OF FIXED ASSETS

Expended 2006	SERVICE	Budget 2007	Balance at 2006-07-01	Expended 2006/7	Written off, transferred, redeemed or disposed of during the Year	Balance at 2007-06-30
R 4,049,049	RATES AND GENERAL SERVICES	R 9,024,000	R 78,504,880	R 2,717,716	R 928,995	R 80,293,601
4,038,901	Community services	6,125,000	74,857,621	2,523,213	928,995	76,451,839
-	Council	300,000	441,886			441,886
3,009,978	Public Works	2,720,000	48,932,216	1,427,730	928,995	49,430,951
-	Town Estates		2,092,756			2,092,756
512,330	Civic Buildings	53,000	7,506,676	708,549		8,215,225
1,495	Health Services	9,000	316,427		-	316,427
451,825	Finance	355,000	4,785,191	214,259		4,999,450
43,900	Parks and Recreation	21,000	6,827,641	90,529		6,918,170
-	Weenen	71,000	344,090	17,750		361,840
3,418	Wembezi	322,000	412,729	10,450		423,179
3,179	Library	1,813,000	1,649,548			1,649,548
10,689	Corporate		193,227			193,227
2,087	Protection	461,000	1,355,234	53,947	-	1,409,181
5,628	Subsidised services	1,413,000	1,546,308	54,935	-	1,601,243
4,673	Health Clinic	1,025,000	177,054			177,054
955	Museum	28,000	391,539	7,200		398,739
-	Fire Protection	200,000	977,715			977,715
-	Cemetery	160,000	-	47,735		47,735
4,520	Economic services	1,486,000	2,100,951	139,568	-	2,240,519
4,520	Cleansing	1,486,000	2,100,951	139,568		2,240,519
-						-
-	HOUSING SERVICES	-	376,582	-	8,222	368,360
-	Economic Housing		376,582		8,222	368,360
-						-
2,598,613	TRADING SERVICES	5,650,000	35,325,122	5,692,346	-	41,017,468
2,598,613	Electricity	5,650,000	35,325,122	5,692,346		41,017,468
-	PUBLIC IMPROVEMENT FUND	-	3,080,710	26,500	58,050	3,049,160
6,647,662	TOTAL FIXED ASSETS	14,674,000	117,287,294	8,436,562	995,268	124,728,588
7,666,141	LESS : LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		76,474,747	11,421,380	58,050	87,838,077
3,166,177	Loans Redeemed		38,674,679	2,984,818		41,659,497
42,147	Contributions from Current Income		930,026	4,129,892		5,059,918
4,457,817	Grants and Subsidies		35,648,669	4,306,670	58,050	39,897,289
	Public contributions		963,297			963,297
	Miscellaneous		258,076			258,076
(1,018,479)	NET FIXED ASSETS		40,812,547	(2,984,818)	937,218	36,890,512

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2007**

<i>Actual 2006</i> R		<i>Actual 2007</i> R	<i>Budget 2007</i> R
92,817,088	INCOME	98,250,857	93,289,429
19,665,643	-Levy income	21,578,029	21,002,345
7,803,187	-Grants and Subsidies	10,159,532	11,345,073
47,323,633	-Electricity Sales	50,448,305	47,430,000
3,522,591	-Other income	4,835,355	2,796,911
167,460	-Departmental	-	-
3,000,000	-Relief of Rates	-	3,005,000
2,525,362	-Interest earned	3,131,976	254,000
8,809,213	-Income from Tariffs and Service charges	8,097,661	7,456,100
97,466,518	GROSS EXPENDITURE	117,417,198	99,018,087
29,832,277	- Salaries, Wages and Allowances	34,355,215	30,743,640
48,410,706	- General Expenses	54,992,103	52,073,519
34,861,639	Purchase of electricity	38,380,199	36,450,000
13,549,067	Other general expenses	16,611,905	15,623,519
8,012,465	- Repairs and Maintenance	6,968,853	7,099,930
7,154,730	- Capital Charges	6,824,645	-
42,147	- Contribution to Fixed Assets	4,129,892	7,749,000
4,014,192	- Contributions	10,146,490	1,351,998
5,124,329	- LESS : Amounts charged out	4,616,102	5,836,838
92,342,189	NET EXPENDITURE	112,801,096	93,181,249

DETAILED INCOME STATEMENT **FOR THE YEAR ENDED 30 JUNE 2007**

2005/6 Actual Income	2005/6 Actual Expenditure	2005/06 Actual Surplus/ (Deficit)		2006/7 Actual Income	2006/7 Actual Expenditure	2006/7 Actual Surplus/ (Deficit)	2006/7 Budgeted Surplus/ (Deficit)
R	R	R		R	R	R	R
44,043,441	43,908,626	134,815.00	RATES AND GENERAL SERVICES	47,270,268	57,163,274	(9,893,006)	1,665,032
36,410,660	36,497,107	(86,447)	<i>Community services</i>	42,031,271	49,604,594	(7,573,323)	5,861,567
19,665,643		19,665,643	Assessment rates	21,578,029		21,578,029	
	7,024,395	(7,024,395)	Council	592,981	7,187,142	(6,594,161)	(5,335,743)
	1,524,198	(1,524,198)	Health Services			-	(1,518,361)
199,872	2,152,594	(1,952,722)	Protection Services	3,723,565	4,459,709	(736,144)	(1,164,574)
136,909	8,820,833	(8,683,924)	Public Works	453,294	7,628,210	(7,174,916)	(4,597,802)
7,388	3,128,932	(3,121,544)	Corporate services	13,017	5,991,931	(5,978,914)	(3,894,251)
321,034	448,004	(126,970)	Town Estates			-	
9,121,688	3,249,575	5,872,113	Finance	11,514,759	8,852,319	2,662,440	27,594,586
	97,106	(97,106)	Weenen	-	250,063	(250,063)	135,206
6,598,215	1,294,919	5,303,296	Wembezi	3,751,198	1,759,891	1,991,307	38,811
14,640	306,257	(291,617)	Kwanobamba			-	(305,250)
123,835	1,931,877	(1,808,042)	Civic Buildings	332,808	7,665,985	(7,333,177)	(1,566,072)
26,209	1,205,811	(1,179,602)	Library	27,879	1,285,176	(1,257,297)	(761,971)
195,227	5,312,606	(5,117,379)	Parks and Recreation	43,741	4,524,168	(4,480,427)	(2,763,012)
1,086,625	2,268,445	(1,181,820)	<i>Subsidised services</i>	1,554,499	2,188,954	(634,455)	(1,314,079)
980,270	1,229,108	(248,838)	Health Clinic	1,365,587	1,835,791	(470,204)	(93,687)
24,798	774,966	(750,168)	Fire Brigade			-	(844,314)
			Cemetery	95,747	127,174	(31,427)	(106,134)
81,557	264,371	(182,814)	Museum	93,165	225,989	(132,824)	(269,944)
6,546,156	5,143,074	1,403,082	<i>Economic services</i>	3,684,498	5,369,726	(1,685,228)	(2,882,456)
3,826,883	4,345,778	(518,895)	Cleansing	3,684,498	5,369,726	(1,685,228)	(2,882,456)
2,719,273	772,899	1,946,374	Licensing			-	
	24,397	(24,397)	Pound			-	
230,150	46,458	183,692.00		233,440	26,307	207,133	-
230,150	46,458	183,692.00	HOUSING SERVICE	233,440	26,307	207,133	
48,543,496	48,387,104	156,392	TRADING SERVICES:	50,747,149	55,611,515	(4,864,366)	(1,556,852)
48,543,496	48,387,104	156,392	Electricity	50,747,149	55,611,515	(4,864,366)	(1,556,852)
92,817,087	92,342,188	474,899	TOTAL	98,250,857	112,801,096	(14,550,239)	108,180
		(5,343,903)	Appropriation for this Year (Refer NOTE 18)			(2,470,426)	
		(4,869,004)	Net (Deficit) for the Year			(17,020,664)	
		174,291	Accumulated (Deficit)/Surplus beginning of the year			(4,694,713)	
		(4,694,713)	ACCUMULATED DEFICIT END OF YEAR			(21,715,377)	

STATISTICAL INFORMATION

	2007	2006
a) General Statistics		
1 <i>Population</i>	59,434	55,000
2 <i>Rateable Properties</i>		
Rateable	459,814,200	456,025,300
Non-Rateable	49,695,770	49,913,270
3 <i>Number of Properties</i>		
Proclaimed erven as at 30 June 2004	8,851	8,823
4 <i>Number of Rated Properties</i>		
Residential	8036	8008
Commercial	300	300
Industrial	125	125
Agricultural	200	200
Prison and Police	4	4
Other	186	186
5 <i>Assessment rates: cents in the rand</i>		
<i>Escourt/Wembezi</i>		
Land	0.40656	0.36960
Improvements	0.010154	0.009234
<i>Weenen/Kwanobamba</i>		
Land	0.02022	
Agricultural/Grazing	0.28006	0.01838
Industrial/Commercial/Parks Board	0.04422	0.25460
Hospital/Education/Administration	0.03795	0.04020
Residential		0.03450
6 <i>Number of employees</i>	316	352
b) Electricity Statistics		
1 <i>Number of users</i>	10822	
2 <i>Units bought</i>	222866581	
3 <i>Units sold (kw)</i>	216319271	
4 <i>Units lost in distribution (kw)</i>	6547310	
5 <i>Percentage lost in distribution</i>	2.9%	
6 <i>Cost per unit sold @</i>	23.6c	
c) Sundry Statistics		
1 <i>Area</i>	2 130km ²	2351 km ²
2 <i>Number of registered voters</i>	33333	33195
3 <i>Fire service - units</i>	3	5
4 <i>Building survey</i>		
i) Number of plans passed	186	167
ii) Value of plans passed	R 55,381,622	R 146,321,008
5 <i>Parks and Recreation</i>		
i) Number of developed parks	8	8
ii) Nature Reserve	2	2
iii) Number of Swimming pools	2	2
iv) Number of Sportsfields	27	18
6 <i>Library - books issued</i>	82191	90336
7 <i>Cleansing - Refuse removed and dumped</i>	6785 tons	111930 m ³
8 <i>Roads - km roads repaired/constructed</i>	4.5	4
9 <i>Housing</i>		
i) Number of houses rented	36	37
ii) Number of housing loans	54	55